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Women's Coats, Suits, Rainwear and Furs

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TABLE OF CONTENTS

WOMEN'S COATS, SUITS & RAINWEAR

Page

MARKET TRENDS.................................... 1
GENERAL INDUSTRY STATISTICS...................... 1
  INDUSTRY CONCENTRATION......................... 4
  EMPLOYMENT & EARNINGS.......................... 5
  OPERATING RATIOS............................... 6
PRODUCTION....................................... 6
SHIPMENTS..10
PRODUCER PRICES..................................12
FOREIGN TRADE....................................12
  IMPORTS..12
  EXPORTS..14
THE POTENTIAL MARKET.............................14
CONSUMER PRICES..................................17
RETAIL SALES.....................................17
  DRESSY & TAILORED COATS & SUITS................17
  CASUAL COATS, JACKETS & RAINWEAR...............18
  GENERAL TRENDS.................................19
  DEPARTMENT STORES..............................20
  WOMEN'S WEAR STORES............................22
RETAIL ADVERTISING...............................22
CONSUMER BUYING HABITS...........................23

FURS

MARKET TRENDS....................................26
GENERAL INDUSTRY STATISTICS......................26
SHIPMENTS..29
FOREIGN TRADE....................................29
RETAIL SALES.....................................30
RETAIL ADVERTISING...............................33

SCHEDULE OF ADDITIONAL FACT FILES................34

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WOMEN'S COATS, SUITS & RAINWEAR

Market Trends

Activity by retailers at coat and suit markets in Spring 1983 reflected an expectation of an upturn in sales in the Fall season. Wool coats were reported to be exceptionally strong, as well as fur-trimmed items. In the suit market the coat-dress has become a staple. If the pace registered at the markets continues, manufacturers report that sales of coats and suits this year could exceed last year's levels by 20 to 25%.

The use of unusual colors in wool coats and suits, as well as fur trims, new fabrications and fashion features, are expected to excite consumer interest and spark sales. The fact that the coat and suit business is cyclical, and last year was not very strong, is also viewed as a basis for optimism.

Big-name designers have taken an important position in the women's coat and suit market, recognizing the size and growth of the market among young, affluent career women.

On the other hand, a revival of interest in suits, as well as the popularity of jackets, are viewed as channeling open-to-buy into that area at the expense of rainwear. Retailers were reported to be holding back on buying rainwear, and manufacturing activity was down, for the Spring 1983 season, a season which in recent years had been the mainstay as women had adopted raincoats as their spring coat.

In junior wear, miniskirts and divided skirts have caught on and are accounting for an upturn in activity in that area. But the prime apparel customer for most stores is no longer in her teens, but 25 to 44 years of age, interested in quality apparel and investment dressing rather than fads. The coat and suit industry is hard at work to fill these requirements.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The 1981 annual survey of manufactures compiled by the U.S. Census Bureau covers the latest available information on the women's, misses' and juniors' suit and coat industry and on the waterproof outergarments industry at the manufacturer level. The ASM is based on a sample of manufacturers and is conducted in interim years, between the complete census of manufactures conducted every five years. It is adjusted for comparability with the most recent census data covering the year 1977.

GENERAL INDUSTRY STATISTICS

Women's, Misses' & Juniors' Suit & Coat Industry (SIC 2337*)

	1981	1980	1979	1977	% Change 1980/1977	% Change 1981/1977
Number of companies	na	na	na	1,557	--	--
Number of establishments, total**	na	1,360	1,446	1,672	- 18.7%	--
Number with 20 or more employees	na	865	932	1,067	- 18.9	--
Employees, total (thous.)	78.4	78.1	81.3	84.7	- 7.8	- 7.4%
Production workers (thous.)	67.9	67.6	70.9	72.7	- 7.0	- 6.6
Payroll (mil. $)	$ 781.0	$ 730.9	$ 698.4	$ 654.0	+ 11.8	+ 19.4
Value added by manufacture# (mil. $)	2,070.4	1,622.0	1,499.5	1,429.6	+ 13.5	+ 44.8
Value of industry shipments## (mil. $)	3,914.4	3,195.5	3,052.8	2,912.9	+ 9.7	+ 34.4
Capital expenditures, new (mil. $)	23.5	28.9	29.6	22.0	+ 31.4	+ 6.8

(See footnotes following table on the Raincoats & Other Waterproof Outer Garments Industry)

In addition to other noted sources, the Bureau of Industrial Economics, U.S. Department of Commerce, issues an annual Industrial Outlook report which covers industry estimates for major industrial classifications.

According to this source, value of industry shipments in the Suit and Coat Industry was estimated at $3.683 billion in 1982 in current dollars, representing a gain of 3.9% over a 1981 estimated total of $3.543 billion. Adjusting for inflation, in real terms the value of shipments in 1982 fell 7.6% below the 1981 total.

Estimated Value of Industry Shipments
Women's, Misses' & Juniors' Suit & Coat Industry (SIC 2337*)
1981, 1982
(In Billions of Dollars)

Current Dollars		Constant (1972) Dollars		Compound Annual Rate of Growth
1982	1981	1982	1981	1972-82*
$3.683	$3.543	$2.451	$2.654	+ 3.1%

Source: U.S. Bureau of Industry Economics,
1983 U.S. Industry Outlook

Industry data on U.S. rainwear manufacturers are not separately covered in Department of Commerce data but included (with some noted exceptions) in a broad industry classification that covers other types of waterproof apparel, as noted below.

GENERAL INDUSTRY STATISTICS

Raincoats & Other Waterproof Outer Garments (SIC 2385*)

	1981	1980	1979	1977	% Change 1981/1977
Number of companies	na	na	na	155	--
Number of establishments, total**	na	125	134	167	--
Number with 20 or more employees	na	78	85	105	--
Employees, total (thous.)	7.0	11.3	10.7	12.0	- 38.0%
Production workers (thous.)	5.7	9.8	9.0	10.1	- 43.6
Payroll (mil. $)	$ 68.3	$ 102.3	$ 91.0	$ 89.4	- 23.6
Value added by manufacture# (mil. $)	188.1	216.7	198.0	194.4	- 3.2
Value of industry shipments## (mil. $)	377.5	376.5	357.4	348.8	+ 8.2
Capital expenditures, new (mil. $)	4.1	3.6	2.4	5.6	- 26.8

na = not available

*Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

SIC 2337 comprises establishments primarily engaged in manufacturing women's, misses' and juniors' suits, coats, pantsuits and skirts, except fur and leather coats and raincoats. (Apparel made in knitting mills is not included.)

SIC 2385 comprises establishments primarily engaged in manufacturing raincoats from purchased rubberized fabrics and other waterproof outergarments made from such materials as pliofilm and cellophane. The industry includes manufacturers of garments for men, women and children. It does not include vulcanized rubber garments or rubberized fabric garments produced by fabric manufacturers in the same plant.

**Each business location is counted as a separate establishment. Figures for 1979 and 1980 are from County Business Patterns reports issued by the U.S. Bureau of the Census.

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments (as distinct from "product shipments") includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of specified garments by all producers, including manufacturers classified in other industries (or product shipments) are covered on page 11.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977;
Annual Survey of Manufactures, 1979, 1980, 1981

GENERAL INDUSTRY STATISTICS

Industry Concentration

The rainwear industry is very highly concentrated among large companies. Eight companies accounted for over half of industry shipments in 1977, the latest year for which detailed data are available on industry concentration. This compared with a 31% share in 1972.

In the women's coat and suit industry, the 20 largest companies accounted for 31% of industry shipments in 1977 compared with 26% in 1972.

Share of Industry Activity Accounted For By The Largest Companies (Ranked On Value of Shipments), 1977

	Companies	Plants	Value Added By Manufacture	Value of Industry Shipments
Women's Coat & Suit Industry total	100.0%	100.0%	100.0%	100.0%
Share held by --				
4 largest companies	0.3	1.9	12.4	15.2
Next 4 largest	0.3	0.8	4.7	5.1
Next 12 largest	0.8	1.6	10.4	10.4
Next 30 largest	1.9	3.1	12.3	14.3
Remainder	96.7	92.6	60.2	55.0
Rainwear & Waterproof Outergarment Industry				
Share held by --				
4 largest companies	2.5	7.2	42.7	41.0
Next 4 largest	2.5	3.0	9.8	10.7
Next 12 largest	7.6	7.2	16.6	18.5
Next 30 largest	19.1	18.6	18.4	19.7
Remainder	68.3	64.0	12.5	10.1

Source: U.S. Bureau of the Census, 1977 Census of Manufactures, Concentration Ratios in Manufacturing (MC77-SR-9).

A later indication of industry concentration is found in the Census Bureau's County Business Patterns reports. Unlike the above information which is based on company data, however, this source reports information in terms of establishments (plants) by number of employees. Only manufacturers with paid employment are included in these figures.

GENERAL INDUSTRY STATISTICS

Industry Concentration

Distribution of the Number of Plants & of Employees
By Employment-Size Class, 1979, 1980

	Women's Coat & Suit Industry				Rainwear/Waterproof Outer Garment Ind.			
	Estabs.		Employees		Estabs.		Employees	
	1980	1979	1980	1979	1980	1979	1980	1979
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No. of employees:								
Under 20	36.4	35.5	6.0	5.8	37.6	36.6	na	na
20 - 49	32.6	33.0	21.0	20.6	21.6	24.6	9.6	12.0
50 - 99	18.2	18.6	25.4	26.4	15.2	17.9	13.8	15.8
100 - 249	10.4	10.0	30.2	28.2	15.2	11.9	27.8	27.3
250 +	2.4	2.9	17.4	19.0	10.4	9.0	na	na

na = not available

Source: U.S. Bureau of the Census,
County Business Patterns, 1979, 1980

Employment & Earnings

Employment in the women's coat, suit and skirt industry in the U.S. in 1982 averaged almost 13% below the 1981 average, and it was almost 20% below average employment in 1977. The number of production workers in the industry has dropped from almost 80,000 in 1966 to less than 46,000 in 1982.

Employment & Earnings in the
Women's Coat & Suit Industry, 1977-1982
(Annual Averages)

	1982	1981	1980	1979	1978	1977
Employment, total (thous.)	53.6	61.4	65.6	64.8	64.7	66.8
Production workers (thous.)	45.4	52.4	57.1	55.9	55.5	56.7
Av. weekly earnings	$183.14	$183.82	$170.86	$150.06	$141.12	$132.47
Av. hourly earnings	5.67	5.44	5.04	4.52	4.20	3.99
Av. weekly hours	32.3	33.8	33.9	33.2	33.6	33.2

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings.

GENERAL INDUSTRY STATISTICS

Operating Ratios

Selected Operating Ratios in the Women's Coat & Suit Industry
(Median Results By Size of Company Net Worth, 1980)

	Total	Net Worth To $50,000	 $50,000-$2 mil.	 $2 mil. & over
No. of companies covered	232	46	90	96
Current assets to current debt (times)	1.72	1.52	1.91	1.75
Net profits on net sales (%)	2.22	3.21	2.21	2.08
Sales to net worth (times)	8.68	10.58	8.31	7.54
Sales to inventory (times)	7.9	8.5	8.9	7.5

Source: Dun & Bradstreet, Key Business Ratios.

PRODUCTION

Estimates on annual production and shipments are compiled by the U.S. Census Bureau based on a survey of manufacturers, government contractors and jobbers of women's and children's outerwear, except very small firms (generally less than five employees). The estimates include garments which are cut in the U.S. and sent outside of the country to be sewn, then imported into the U.S. under the provisions of item 807.00 of the Tariff Schedule.

The most recent report covers the year 1981. When this study was done approximately 400 establishments were added to the survey which were not covered in previous reports. These newly-added cutters affected comparability with earlier years in varying degrees. They represented from a low of only 2% of total 1981 production of women's rainwear to a high of almost 44% of 1981 cuttings of women's, misses' and juniors' nontailored outerjackets.

Adjusting the data for comparability, following are indicated percentage changes in production of specified items in 1981 compared with 1980:

Estimated Percent Change in Cuttings, 1981/1980

Women's, misses', juniors'	
Suits, except pantsuits	- 21.2%
Pantsuits (including jumpsuits)	- 33.6
Coats, capes, toppers, car coats (except fur and all-leather)	- 16.5
Separate tailored suit type jackets	+ 30.8
Nontailored outerjackets, except ski	- 25.2
Vests, excluding sweater vests	+ 20.4
Raincoats	- 12.8
Skirts	+ 18.5
Pants, except dungarees & jeans	- 7.7

Source: Based on U.S. Bureau of the Census, Current Industrial Report (MA-23F).

PRODUCTION

The seasonal pattern in cuttings of women's, misses' and juniors' coats of all types and suits showed a concentration of activity for the former in August/September and for the latter, in February/March.

Percent of Reported Cuttings by Months, 1980, 1981

	Coats, Capes, Etc.		Suits, Including Pantsuits	
	1981	1980	1981	1980
Total	100.0%	100.0%	100.0%	100.0%
January	7.5	5.9	8.9	8.4
February	6.7	6.9	9.2	9.7
March	6.7	6.8	9.2	10.4
April	8.6	7.5	8.5	8.6
May	9.9	8.9	8.5	6.6
June	10.5	9.4	9.1	6.9
July	9.3	8.5	8.5	7.3
August	11.0	11.5	8.9	9.3
September	10.2	10.2	8.8	11.2
October	9.6	10.0	7.5	9.2
November	5.7	8.3	6.9	6.6
December	4.3	6.1	6.0	5.8

Source: Based on U.S. Bureau of the Census, Current Industrial Report (MA-23F).

Detailed information reported for 1981 on production by fabric type, and by factory price for coats and suits are covered in the following table. Comparable figures for 1980 are not available.

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Factory Price & Construction/Fabric Type, 1981

	Thous. Units
Women's, misses', juniors' coats, except fur, all-leather & raincoats	14,996
By factory price (per unit):	
Under $16.00	286
$16.00 to $38.99	6,055
$39.00 to $75.99	5,253
$76.00 & over	1,064
Price line, n.s.k.	2,338
By construction:	
Woven fabric	12,298
Knit fabric	485
Construction, n.s.k.	2,213

(continued)

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel
Total & By Factory Price & Construction/Fabric Type, 1981
(continued)

	Thous. Units
Coats (continued)	
By fabric:	
All cotton & chiefly cotton	276
All man-made & chiefly man-made	6,324
All wool & chiefly wool	5,315
All other fabric	55
Fabric, n.s.k.	3,026
Jackets	34,814
Separate tailored suit-type jackets	31,677
By construction:	
Woven fabric	17,651
Knit fabric	9,565
Construction, n.s.k.	4,461
By fabric:	
All cotton & chiefly cotton	2,582
All man-made & chiefly man-made	19,872
All wool & chiefly wool	4,798
All other fabric	213
Fabric, n.s.k.	4,212
Nontailored outerjackets, excluding ski	3,137
By construction:	
Woven fabric	1,102
Knit fabric	2,035
Construction, n.s.k.	
By fabric:	
All cotton & chiefly cotton	na
All man-made & chiefly man-made	1,101
All wool & chiefly wool	425
All other fabric	
Fabric, n.s.k.	1,611
Vests, excluding sweater vests	2,350
By construction:	
Woven fabric	574
Knit fabric	1,527
Construction, n.s.k.	249
By fabric:	
All cotton & chiefly cotton	324
All man-made & chiefly man-made	1,532
All wool & chiefly wool	274
All other fabric	
Fabric, n.s.k.	220

(continued)

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Factory Price & Construction, Fabric Type, 1981
(continued)

	Thous. Units
Raincoats	
Plastic (with & without fabric trim)	5,555
Rubberized &/or coated fabric	na
Uncoated fabric:	na
All cotton & chiefly cotton	589
All man-made & chiefly man-made	4,503
All other fabric	203
Construction, n.s.k.	260
Suits	14,234
Pantsuits	6,881
By construction:	
Woven fabric	2,562
Knit fabric	2,692
Construction, n.s.k.	1,627
By fabric:	
All cotton & chiefly cotton	355
All man-made & chiefly man-made	4,412
All wool & chiefly wool All other fabric	338
Fabric, n.s.k.	1,776
Suits, except pantsuits	7,353
By factory price (per unit):	
Under $16.00	345
$16.00 to $38.99	4,195
$39.00 & over	2,233
Price line, n.s.k.	580
By construction:	
Woven fabric	2,562
Knit fabric	4,268
Construction, n.s.k.	523
By fabric:	
All cotton & chiefly cotton	384
All man-made & chiefly man-made	5,081
All wool & chiefly wool	1,226
All other fabric Fabric, n.s.k.	662
Skirts	97,627
By construction:	
Woven fabric	50,636
Knit fabric	26,377
Construction n.s.k.	20,614

(continued)

PRODUCTION

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Factory Price & Construction/Fabric Type, 1981
(continued)

	Thous. Units
Skirts (continued)	
By fabric:	
All cotton & chiefly cotton	11,957
All man-made & chiefly man-made	52,460
All wool & chiefly wool	11,792
All other fabric	757
Fabric, n.s.k.	20,661
Slacks, except dungarees & jeans	158,629
By construction:	
Woven fabric	96,237
Knit fabric	42,662
Construction, n.s.k.	19,730
By fabric:	
All cotton & chiefly cotton	22,692
All man-made & chiefly man-made	106,442
All wool & chiefly wool	7,867
All other fabric	2,208
Fabric, n.s.k.	19,420

n.s.k. = not specified by kind.
na = not available

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear (MA23F)

SHIPMENTS

The value of primary products shipped by the Coat & Suit Industry--including women's, misses' and juniors' suits, coats, pantsuits and skirts, but not including fur or leather coats, or raincoats--was estimated at $2,806 million in 1982 on a current dollar basis, according to the U.S. Bureau of Industrial Economics. This was almost 8.2% above the Bureau's estimate for 1981. On a constant (1972) dollar basis, however, shipments in 1982 were valued at 3.9% less than in 1981. The compound annual rate of real growth in the period 1972-1982 was reported at + 3.6%.

The annual survey of manufactures, covering a representative sample of manufacturers, indicated that shipments of primary products by the suit and coat industry amounted to $3,513.6 million in 1981.

SHIPMENTS

Value of Shipments of Product Classes, 1977-1980
(In Millions of Dollars)

	1981	1980	1979	1978	1977
Women's, misses', juniors' suits, coats, etc., total	$3,513.6	$2,988.3	$2,752.1	$2,689.6	$2,725.6
Coats, capes	660.0	707.1	737.6	634.7	612.1
Suits	391.7	489.9	517.3	555.9	665.3
Separate skirts, jackets	1,706.9	1,131.4	938.5	847.3	738.3
Contract work on suits, coats, skirts	634.3	596.2	524.0	425.7	423.9
Coats, type not specified	120.7	63.7	34.6	226.1	285.9
Waterproof outer garments (men's, women's, children's)	453.7	447.4	383.6	355.0	338.9

Source: U.S. Bureau of the Census, Annual Survey of Manufactures, Value of Product Shipments.

In addition to the above information on value of shipments, the U.S. Bureau of the Census compiles annual data on shipments based on a survey of manufacturers, contractors and jobbers (excluding very small firms--generally less than five employees). The value of garments cut in the U.S. and sent outside the country to be sewn, then imported under the provisions of item 807.00 of the Tariff Schedule are included in these reports.

Value of Shipments of Specified Products, 1981
(In Millions of Dollars)

Women's, misses', juniors' coats, suits, etc., total	$3,227.7
Coats, except fur, all-leather & rain	649.3
Jackets	
Separate tailored suit-type	795.2
Nontailored outer jackets, excluding ski	70.5
Vests, excluding sweater vests	24.5
Raincoats	207.8
Skirts	1,109.6
Suits	
Pantsuits	102.2
Other suits	268.6

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's and Children's Outerwear (MA-23F)

According to a 1982 Profile of Women's & Misses' Suits and Coats, compiled by the U.S. Bureau of Industrial Economics, the major producing states accounting for the largest percent of industry shipments included the following: New York (35%), California (12%), Massachusetts (11%), New Jersey (9%), Pennsylvania (5%).

PRODUCER PRICES

Producer (Factory) Price Indexes For Specified
Types of Women's Wear, 1981, 1982
(1967 = 100)

	Annual Average 1982	Annual Average 1981	% Change 1982/1981
Women's, misses', juniors'			
Skirts (including uniform)	118.2	113.2	+ 4.4%
Coats (except fur, all-leather & raincoats)	162.8	156.9	+ 3.8
Suits	115.3*	115.3*	--

* Base December 1971 = 100

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

According to preliminary estimates compiled by the U.S. Bureau of Industrial Economics, imports of women's, misses' and juniors' coats and suits amounted to $819.3 million in 1982 compared with total coat and suit exports valued at $37.0 million. The Bureau summarized the overall supply picture as follows in terms of dollar value:

	Mil. $
Value of coat & suit shipments (U.S. producers)	$ 2,806.0
Value of exports of coats & suits	37.0
Value of imports of coats & suits (f.a.s.)	819.3
Exports of a % of shipments	1.3%
Imports as a % of new supply (shipments plus imports)	21.3%
Imports as a % of apparent consumption (product shipments plus imports less exports)	22.8%

f.a.s. - free alongside ship at foreign port of exportation.

Imports

Apparel imports in general reached a new high in 1982 despite the recession in the U.S. and curtailed buying on the part of retailers and consumers. In the first 10 months of the year unit imports of women's and children's coats and jackets for consumption in the U.S. gained 12% compared with the same 1981 period. Imports of suits in the same period rose 53% while skirt imports went up over 8%. Raincoat imports, however, showed a leveling off.

Data compiled by the Research Department, International Ladies' Garment Workers Union based on U.S. Bureau of the Census reports show the growth in imports for consumption in the U.S.

FOREIGN TRADE

Imports

Imports of Coats & Suits For Consumption in the U.S.
(Thousands of Units)

	Jan.-Oct.						
	1982	1981	1981	1980	1979	1978	1977
Women's, misses', children's							
Coats & jackets	50,816	45,277	52,077	42,857	32,602	36,696	32,681
Suits	3,241	2,117	2,766	1,715	2,169	3,499	3,373
Raincoats, total	5,707	5,712	6,759	6,696	9,572	9,918	7,229
Cotton*	1,735	1,675	1,995	2,331	4,029	3,888	2,465
Man-made fibers	3,971	4,037	4,764	4,365	5,542	6,030	4,764

*Includes men's as well as women's and children's cotton raincoats.

Source: ILGWU, Conditions in the Women's Garment Industry (January 5, 1983).

The value of U.S. manufacturers' shipments of women's, misses' and juniors' coats and suits in 1982 were up 168% compared with 1977; however, imports in this period rose 208%, according to the U.S. Bureau of Industrial Economics. Imports, according to this source, represented about 10% of new supply (in terms of value) in 1977, 19.3% in 1981 and 21.3% in 1982. (1983 U.S. Industrial Outlook).

Imports of specified types of coats into the U.S. in 1982 compared with 1981 are reported as follows:

Quantity & Value of General Imports of Coats & Raincoats, 1981, 1982
By Leading Country of Origin
(Women's, Misses' & Children's)

	Thousand Dozens		Value (CIF)* (thous. dollars)	
	1982	1981	1982	1981
Total, reported types	4,828.6	4,229.6	$657,124	$570,050
Coats -- not knit				
Wool	163.8	167.6	44,978	43,570
Japan	30.6	20.1	6,614	4,242
Hong Kong	28.2	25.1	7,559	6,402
Uruguay	27.2	32.7	6,308	8,133
Cotton, 3/4 length or longer	250.5	197.5	55,143	43,355
Hong Kong	51.8	56.3	12,393	13,073
Poland	24.3	19.8	5,603	4,495
Taiwan	23.3	20.8	6,609	5,368
Other cotton coats	1,454.9	1,539.1	211,021	216,947
China	306.5	369.2	43,143	45,170
Hong Kong	223.0	240.9	36,940	39,452
Japan	221.8	231.9	40,042	44,988

(continued)

FOREIGN TRADE

Imports

Quantity & Value of General Imports of Coats & Raincoats, 1981, 1982
By Leading Country of Origin
(Women's, Misses' & Children's)
(continued)

	Thousand Dozens		Value (CIF)* (thous. dollars)	
	1982	1981	1982	1981
Man-made fiber coats	2,797.9	2,161.5	312,622	230,879
Taiwan	562.3	571.3	70,942	66,962
Korea Republic	526.3	592.1	80,651	74,725
Hong Kong	470.3	340.7	51,085	37,602
Wool knit coats	21.1	23.0	7,660	9,397
Hong Kong	12.0	10.6	2,742	2,507
Iceland	3.1	3.7	1,885	2,395
Taiwan	1.4	0.9	320	257
Raincoats, 3/4 length or longer: man-made fiber	140.4	140.9	25,700	25,302
Hong Kong	42.4	38.4	9,248	9,447
Korea Republic	31.1	53.6	6,118	9,429
Taiwan	23.1	17.7	4,093	2,673

*CIF value includes freight, insurance, etc. (but not duties) at the first port of arrival in the U.S.

Source: U.S. Bureau of the Census, FT 135.

Exports

Exports represent a very small part of the shipments of the U.S. coat and suit industry, but have increased in value from $13.8 million in 1977 to about $37 million in 1982, according to the U.S. Bureau of Industrial Economics. Exports' share of total shipments of women's coats and suits have increased from 0.6% in 1970 to 1.3% in 1982. The total value of exports of fur garments and pelts was $350.1 million in 1982.

THE POTENTIAL MARKET

Two demographic trends offer encouragement to marketers of apparel--the growth in the young adult population (the baby-boomers born from 1945 to 1954) and the rapid increase in the size of the female labor force. These are positive factors helping to stimulate consumer demand as economic conditions improve. Young adults are above average in their interest in buying apparel and working women require a larger wardrobe than most non-working women.

In October 1982 the Census Bureau issued an advance version of its first population projections since 1977. These new projections are by age, race and sex for the United States from 1982 to 2050. A more detailed, final report is scheduled for release in July 1983. The advance report included three different series of population projections derived from alternative assumptions on fertility, mortality and net immigration levels. Projections for the total population for the year 1985, for example, range from a low of 237,366,000 for the total population to a high of 240,364,000.

THE POTENTIAL MARKET

The following figures are from the "middle" series, reflecting the middle assumptions on future developments in the three components, and looking to a population totaling 238,648,000 by 1985.

Projections of the U.S. Female Population, 1983-2000 (Middle Series)
By Age Groups

	Number (thousands)			% Change		% of Total Female Population		
	1983	1990	2000	1990/83	2000/1990	1983	1990	2000
Total, all ages	120,216	128,234	137,611	+ 6.7%	+ 7.3%	100.0%	100.0%	100.0%
Under 16 years	26,924	28,240	29,175	+ 4.9	+ 3.3	22.4	22.0	21.2
16 years & over	93,293	99,994	108,436	+ 7.2	+ 8.4	77.6	78.0	78.8
16 - 19	7,654	6,704	7,373	-12.4	+10.0	6.4	5.2	5.4
20 - 34	30,925	30,774	26,442	- 0.5	-14.1	25.7	24.0	19.2
35 - 54	26,458	32,170	40,810	+21.6	+26.9	22.0	25.1	29.6
55 & over	28,256	30,346	33,811	+ 7.4	+11.4	23.5	23.7	24.6
Median age (yrs.)	32.2	34.3	37.7					

Sub-Totals, Ages 25 - 44--1983, 1990, 2000

	Number (thousands)			% Change		% of Total Female Population		
	1983	1990	2000	1990/83	2000/1990	1983	1990	2000
Females 25-44 years, total	35,095	40,758	39,912	+16.1%	- 2.1%	29.2	31.8	29.0
25 - 29 years	10,571	10,647	8,589	+ 0.7	- 19.3	8.8	8.3	6.2
30 - 34 years	9,584	10,992	9,438	+14.7	- 14.1	8.0	8.6	6.9
35 - 39 years	8,234	10,071	10,834	+22.3	+ 7.6	6.8	7.8	7.9
40 - 44 years	6,706	9,048	11,051	+34.9	+ 22.1	5.6	7.1	8.0

Source: U.S. Bureau of the Census, Current Population Reports,
Series P-25, No. 922 (Issued October 1982)

Working Women

Even with the continuing economic slowdown, the number of women in the labor force increased by 1.1 million between the fourth quarters of 1981 and 1982. By the end of 1982, 48.3 million women--53 percent of all the women in the population 16 years old and over--were looking for work or were working.

Labor force participation rates are highest among younger women, those most interested in buying apparel and the group that is also the largest segment of the population at the present time. Among women age 20 to 24 years, almost 70% were in the labor force in 1982; among those 25 to 54, 66.3%. Comparable percentages in 1970 were 57.7% and 50.1%, respectively.

Nearly half a million more women were employed in professional-technical and service jobs in 1982 than in the previous year. The fastest growth (representing 60% of women's employment gains in the professional-technical category) occurred in male-dominated occupations such as computer specialists, engineering and law--fields where women tend to favor the wearing of suits and skirts.

THE POTENTIAL MARKET

Working Women

Employed women age 20 to 24 years averaged close to 6.5 million in 1982, up 44.4% over the 1970 total of about 4.5 million. Employed women age 25 to 54 increased in this same period from 17.4 million to 27.8 million, a gain of almost 60%.

Summary Indicators On Working Women, 1970, 1981, 1982

(Annual Averages)

	1982	1981	1970
Women 16 years & over (thous.)			
Civilian noninstitutional population	90,748	89,618	72,782
Civilian labor force	47,755	46,696	31,543
Labor force participation rates (labor force as percent of population)			
Women 16 years & over	52.6%	52.1%	43.3%
16 to 19 years	51.4	51.8	44.0
20 to 24 years	69.8	69.6	57.7
25 to 54 years	66.3	65.3	50.1
55 years & over	22.7	22.7	25.3
Employment status (thous.)			
Women 16 years & over			
Employed	43,256	43,000	29,688
Unemployed	4,499	3,696	1,855
16 to 19 years			
Employed	3,170	3,411	2,735
Unemployed	886	800	506
20 to 24 years			
Employed	6,492	6,618	4,494
Unemployed	985	833	760
25 to 54			
Employed	27,813	27,223	17,390
Unemployed	2,336	1,836	818
55 years & over			
Employed	5,781	5,749	5,069
Unemployed	292	227	144

Source: U.S. Bureau of Labor Statistics

Trade sources estimate that women 25-to-44 years of age, who represent 29% of the female population of the U.S. and who have a labor force participation rate of over 66%, account for 37% of apparel purchases in the U.S. To an increasing extent, this group is encompassing career women--women in management positions who have specific apparel requirements which impact on the coat, suit and skirt market.

A study by Associated Merchandising Corp., a buying office for large store groups, indicated that career women earning over $15,000 accounted for an estimated $128 billion in earnings income in 1981. Their discretionary income was $25.6 billion and, of that amount, $12 billion was set aside for clothes to be worn primarily on the job.

THE POTENTIAL MARKET

Working Women

According to a survey by Celanese Marketing Co., professional women, such as attorneys and corporate executive types, spend over $5 billion on apparel, an amount expected to grow 8 to 10% annually through 1985. Informal professional women, such as social workers or teachers, spend $3.6 billion on apparel, and this is expected to grow 5 to 7% a year.

CONSUMER PRICES

Consumer Price Indexes for Specified Women's Apparel Categories, 1979, 1980
(All Urban Consumers)

	Annual Averages			% Change
	1982(p)	1981	1980	1982/1981
Women's & girls' apparel (1967 = 100)	159.1	157.5	155.1	+ 1.0%
Women's coats & jackets (1967 = 100)	162.4	159.1	164.2	+ 2.1
Women's suits (Dec. 1977 = 100)	85.8	89.2	90.9	- 3.8

(p) preliminary

Source: U.S. Bureau of Labor Statistics

RETAIL SALES

The only official information available on sales of women's coats and suits in specified types of retail outlets is contained in the 1977 Census of Retail Trade, U.S. Bureau of the Census. Only stores with payrolls are included in the merchandise line reports and not all store types were required to break down their sales by merchandise category. Due to a change in the classification system, comparative figures for earlier census years are not available.

Dressy & Tailored Coats & Suits

Women's ready-to-wear stores accounted for almost half of reported sales of women's dressy and tailored coats and suits in 1977. Department store sales of $550.2 million represented 34.1% of the total which, as defined by the Census Bureau, excludes pantsuits and rainwear.

RETAIL SALES

Dressy & Tailored Coats & Suits

Reported Sales of Coats & Suits By Store Type, 1977
(Includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number*	% of Total	Mil. $	% of Total
Women's, misses' & juniors' coats & suits	33,099	100.0%	$1,615.7	100.0%
Department stores**	5,787	17.5	550.2	34.1
Women's ready-to-wear stores	17,334	52.4	800.1	49.5
Family clothing stores	5,702	17.2	156.2	9.7
All other outlets (men's wear stores, children's wear stores & mail order houses)	4,276	12.9	265.4	16.4

*Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

**Includes discount department stores as well as traditional department stores and department stores operated by mail order chains. Sales of catalog order desks within these stores are included in the department store data, but not sales of catalog headquarters operations, which are included in mail order house data.

Source: Based on U.S. Bureau of the Census
Census of Retail Trade, 1977,
Merchandise Line Sales RC 77-L.

Casual Coats, Jackets & Rainwear

In 1977, sales of casual coats, jackets and rainwear were reported at $1.56 billion in the leading store types. Women's ready-to-wear stores reported sales of $681.1 million, 43.5% of the total.

Reported Sales of Casual Coats, Jackets & Rainwear By Store Type, 1977
(Includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number*	% of Total	Mil. $	% of Total
Women's, misses', juniors' casual coats, jackets & rainwear	39,449	100.0%	$1,565.9	100.0%
Department stores**	6,940	17.6	608.8	38.9
Women's ready-to-wear stores	18,640	47.2	681.1	43.5
Family clothing stores	9,256	23.5	201.9	12.9
All other outlets (men's wear stores, children's wear stores & mail order houses)	4,613	11.7	74.1	4.7

(See footnotes on previous table)

Source: U.S. Bureau of the Census
Census of Retail Trade, 1977
Merchandise Line Sales RC 77-L.

RETAIL SALES

Casual Coats, Jackets & Rainwear

Percent of Total Women's & Children's Wear Sales Accounted For By Coats & Suits in Key Store Types Reporting Sales, 1977

	Total Women's & Children's Wear Sales* (Mil. $)	% of Sales Accounted For By:	
		Dressy & Tailored Coats & Suits	Casual Coats, Jackets & Rainwear
Department stores	$16,250.7	3.4%	3.7%
Women's ready-to-wear stores	11,066.5	7.2	6.1
Family clothing stores	3,471.6	4.5	5.8

*Excludes footwear sales.

Source: U.S. Bureau of the Census
Census of Retail Trade, 1977
Merchandise Line Sales RC 77-L

General Trends

Sales Trends Among Key Coat & Suit Retail Outlet Types
Total Store Sales, 1977-1982
(Millions of Dollars)

	1982	1981	1980	1977
Department stores	$107,030	$103,609	$94,705	$76,469
Women's ready-to-wear stores	17,169	16,352	15,074	12,444
Family clothing stores	10,830	10,441	9,604	8,055

Source: U.S. Bureau of the Census,
Monthly Retail Trade

A record of household purchases in terms of units is maintained in diaries by a nationwide panel of consumers reporting to Market Research Corporation of America. According to this source, out of a total of $35.2 billion in reported purchases of women's wear in the 12 months ending October 1980, outerwear (outer jackets, coats) accounted for 7.7% ($2.7 billion); skirts, jackets, suits, 13.8% ($4.8 billion). Distribution of purchases of outerwear and skirts, etc., was reported by this source as follows:

RETAIL SALES

General Trends

Share of Total Unit Purchases & Average Price Paid
(12 months ended October 1980)

	% of Unit Purchases		Average Price Paid	
	Women's Outerwear*	Women's Skirts, Jackets, Suits	Women's Outerwear*	Women's Skirts, Jackets, Suits
Total purchases	100.0%	100.0%	$49.76	$20.12
Sears, Penney, Ward	14.3	5.8	40.08	13.99
Upscale discounters	2.6	2.2	23.34	13.22
Other discounters	14.2	14.6	33.93	14.04
Department stores	26.3	32.9	61.95	22.13
Specialty stores	27.4	33.2	60.34	23.61
Mail order catalog	7.1	4.8	37.55	14.60
Variety stores	1.1	1.0	19.84	8.68
All other	6.8	5.6	41.39	19.24

*Coats, raincoats, outerjackets.

Source: Market Research Corporation of America
(Chain Store Age, General Merchandise Edition,
March 1981)

Misses' sizes account for the great bulk of skirt, jacket and suit sales, according to Chain Store Age. However, their data which is based on purchase diary information compiled by Market Research Corporation of America, shows that gains have been made in junior sizes since 1976.

Percent of Skirt, Jacket & Suit Sales By Size Classification, 1976, 1980

	Units		Dollars	
	1980	1976	1980	1976
Skirts, jackets & suit sales, total (thousands)	198,117	94,371	$1,291.7	$3,918.5
	100.0%	100.0%	100.0%	100.0%
Juniors'	18.2	17.6	16.2	14.6
Misses'	66.7	72.6	71.6	75.5
Women's	4.6	4.1	4.2	4.5
Not reported	10.5	5.7	8.0	5.4

Source: Chain Store Age (General Merchandise Edition),
(February 1981)

Department Stores

Within department stores, as well as the larger women's specialty stores, the trend in recent years has been to make special efforts to attract career women, opening special shops, putting personal shoppers on the floor, adjusting store hours. Blazers, jackets, suits, and skirts make up an important part of these special efforts.

RETAIL SALES

Department Stores

Nevertheless, the typical department store registered a 2.7% drop in suit sales for women, misses and juniors, but coat business--particularly all-weather coats and jackets--registered a typical gain of 3.7% in 1981 over 1980. Other typical operating ratios for department stores throughout the country are noted below. Figures for 1982 are not yet available, but may reflect the general downturn in the economy.

Merchandising & Operating Results in Coat & Suit Departments, 1981
(Median Results for Department Stores With Sales Over $1 Million)

	Adult Female Apparel Total	Coat & Suit Depts.*	Women's, Misses' & Juniors'		
			Dressy & Tailored Coats	Jackets, Casual & All-Weather Coats	Suits
(No. reporting companies)	113	85	86	62	39
Net sales, % chg. over last year	+ 8.8%	- 0.9%	+ 1.0%	+ 3.7%	- 2.7%
Net sales, % of adult female app.	100.0	0.4	2.4	1.4	1.4
Net sales, % of total store sales	24.5	2.0	1.0	0.6	0.1
$ sales per sq. ft. of selling space (main or largest unit)	$129.2	$118.5	$129.0	$163.0	$67.6
Cumulative markon, %	50.8%	50.3%	50.0%	50.0%	50.7%
Gross margin, % of net sales (incl. cash discounts)	43.0	41.7	41.4	43.3	37.2
Markdowns, retail, % of net sales	20.9	21.9	24.0	18.4	28.7
Number of stock turns (times)	3.8	3.4	3.2	3.6	3.4
Selling salaries, % of sales (main or largest unit)	6.8	7.0	6.5	6.5	7.9
Sales promotion, % of net sales	2.9	4.2	3.9	4.0	3.0

* Women's & misses', not including juniors'

Source: National Retail Merchants Association
Merchandising & Operating Results of 1981 (1982 Edition)

Women's specialty store's coat and suit departments generally showed better sales results than noted in department stores in 1981. This was particularly apparent in suit business. Sales of women's, misses' and juniors' suits in the typical specialty store registered a gain of almost 16% in 1981 over 1980. Jackets, casual and all-weather coats, on the other hand, did better in department stores.

RETAIL SALES

Women's Wear Stores

Merchandising & Operating Results in Coat & Suit Departments, 1981
(Median Results For Specialty Stores With Sales Over $1 Million)

	Adult Female Apparel Total	Coat & Suit Depts.*	Women's, Misses' & Juniors'		
			Dressy & Tailored Coats	Jackets, Casual & All-Weather Coats	Suits
(No. of reporting companies)	47	33	26	14	16
Net sales, % chg. over last year	+ 6.7%	+ 1.1%	+ 3.8%	- 8.0%	+ 15.9%
Net sales, % of adult female app.	100.0	14.3	7.1	4.7	3.3
Net sales, % of total store sales	50.7	7.0	2.8	1.7	1.1
$ sales per sq. ft. of selling space (main or largest unit)	$147.1	$157.0	$156.8	$125.3	$238.8
Cumulative markon, %	51.8	50.7	50.3	51.6	51.0
Gross margin, % of net sales (including cash discounts)	43.0	42.4	40.6	43.4	43.3
Markdowns, retail, % of net sales	20.9	21.0	21.3	21.6	17.8
Number of stock turns (times)	3.5	3.3	3.4	2.7	4.1
Selling salaries, % of sales (main or largest selling unit)	7.7	7.4	7.3	nr	nr
Sales promotion, % of net sales	2.4	2.5	2.1	nr	nr

* Women's & misses', not including juniors'

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1981 (1982 Edition).

Another trend in recent years has been for men's wear manufacturers and men's wear specialty stores to get into the women's tailored career apparel business, including suits, blazers, jackets and skirts. This was done to counteract soft sales in men's tailored clothing, as well as to take advantage of the fast growth in the number of career women and the popularity of the preppie look. This look has been on the wane and it remains to be seen if men's wear stores will be able to maintain growth in the women's apparel area.

RETAIL ADVERTISING

Seasonality in Retailers' Newspapers Advertising Linage On Women's & Misses' Coats & Jackets, 1980, 1981

	Percent of Years' Total Linage By Month												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
1981	7.2	7.0	7.2	5.9	2.9	2.6	3.8	9.1	12.8	15.4	14.9	11.2	100.0%
1980	8.1	7.8	7.8	4.8	2.7	3.6	4.3	9.9	11.3	15.1	13.8	10.8	100.0

Source: Advertising Checking Bureau, Neustadt Reports Div.,
covering retail newspaper linage in seven cities.

CONSUMER BUYING HABITS

A study on purchase patterns for blazers, which make up an important part of the career woman's wardrobe, was conducted in a nationwide Gallup Poll for Chain Store Age. Some findings: most women own more than one blazer; 50% of the women in the U.S. had bought or planned to buy a blazer in the survey year (1982); most (55%) will not pay more than $50, 30% anticipate spending more than $50, the rest were unsure.

Department stores are preferred stores to shop for blazers, according to the Gallup Poll, particularly for women 25 to 44 years of age. Overall these stores accounted for 36.8% of women reporting on their preferred place of purchase; specialty stores, 20.3%; Penney, Sears and Ward, a little over 15%. (Chain Store Age, General Merchandise Edition, August 1982). Nearly 60% of the women who had bought blazers in 1981 had purchased them at sale price.

The following information on purchases of coats, suits, rainwear and furs for women 14 years of age and older for the years 1982 and 1981 has been supplied by NPD Special Industry Services, one of the NPD Group of Marketing & Research Companies, Port Washington, N.Y. The information is based on findings from an ongoing monthly panel diary tracking the purchases of 6,500 nationally representative families.

The seasonal pattern in purchases of women's coats, raincoats and outer jackets is indicated in reported household purchases compiled by NPD (National Panel Diary).

Women's Percent of Households Buying Women's Coats, Raincoats & Outerjackets Each Month, 1981

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
4.1%	2.7	2.2	1.7	1.7	0.9	1.1	2.2	1.8	3.5	3.6	2.4	100.0%

Source: National Panel Diary, 1981 (1983 Newspaper Advertising PlanBook, Newspaper Advertising Bureau).

Patterns in Purchases of Coats, Furs & Raincoats, 1981, 1982
(Percent of Dollars Spent for Women 14 Years & Older)

	Raincoats		All-Weather Coats		Fur/Fur-Like/ Pile Coats	
	1982	1981	1982	1981	1982	1981
Year, total*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by months						
January	4.2	6.6	7.9	10.3	17.0	26.9
February	5.1	4.7	11.4	10.2	11.2	22.3
March	13.0	19.6	9.7	8.1	10.8	1.8
April	24.3	10.6	4.8	9.1	--	5.4
May	4.8	10.4	2.0	5.6	11.4	--

(continued)

CONSUMER BUYING HABITS

Patterns in Purchases of Coats, Furs & Raincoats, 1981, 1982
(Percent of Dollars Spent for Women 14 Years & Older)
(continued)

	Raincoats		All-Weather Coats		Fur/Fur-Like/ Pile Coats	
	1982	1981	1982	1981	1982	1981
June	6.5%	5.6%	3.4%	1.9%	--	--
July	4.0	6.6	1.1	2.1	2.6%	1.3%
August	12.5	11.1	4.6	5.0	12.9	2.3
September	5.9	3.7	6.7	8.7	2.6	8.3
October	3.5	9.1	9.0	12.7	5.5	7.2
November	10.6	4.8	17.2	10.2	12.2	6.7
December	5.5	7.1	22.0	16.1	13.7	17.8
By store type						
Department stores						
Major	29.6	22.2	18.9	18.6	11.8	10.9
Minor	17.9	25.4	16.1	21.0	17.7	28.0
National chains (Sears, Penney, Ward)	15.6	13.5	15.3	19.0	11.6	11.4
Specialty stores	23.8	20.7	31.3	21.7	35.0	38.2
Discount stores	5.1	5.9	8.9	8.2	3.7	9.1
Other & no answer	8.0	12.3	9.5	11.5	49.7	41.3
Price paid						
Less than $20	14.0	12.4	2.1	3.7	1.3	0.5
$20 - $39.99	26.7	33.4	13.6	19.0	4.5	3.5
$40 - $69.99	23.8	27.9	35.3	37.0	9.0	7.0
$70 - $99.99	21.8	11.7	21.2	26.5	9.8	12.6
$100 & over	13.7	14.6	27.8	13.8	35.1	40.7
No answer	--	--	--	--	40.3	35.7
By major fiber content						
100% polyester	11.7	22.7	19.1	30.1	2.2	1.3
Polyester blends	53.1	54.6	51.3	43.7	4.0	1.7
Cotton, cotton blends	3.4	--	2.3	0.5	0.1	--
Wool, wool blends	--	--	10.3	5.6	9.9	2.0
Other & no answer	31.8	22.7	17.0	20.1	83.8**	95.0**

* Columns may not add exactly to 100% due to rounding.
**Acrylic and acrylic blends: 1982, 18.5%; 1981, 14%.

Source: NPD Special Industry Services

CONSUMER BUYING HABITS

Patterns in Purchases of Suits & Skirts, 1981, 1982
(Percent of Dollars Spent for Women 14 Years & Older)

	Suits, Blazers		Skirts, Pants Skirts	
	1982	1981	1982	1981
Year, total*	100.0%	100.0%	100.0%	100.0%
Distribution by months				
January	7.0	8.3	6.7	6.2
February	7.4	5.1	4.7	4.7
March	8.5	11.5	8.6	6.3
April	10.5	11.7	10.4	9.2
May	7.6	8.4	8.2	7.8
June	4.2	4.1	6.2	7.1
July	4.5	2.5	8.0	8.5
August	5.9	6.3	7.4	8.3
September	8.4	8.9	9.8	11.2
October	14.1	11.3	10.2	10.2
November	10.7	7.4	9.6	9.4
December	11.2	14.5	10.1	11.0
By store type				
Department stores				
Major	14.7	20.3	16.9	21.0
Minor	12.8	17.6	17.5	15.6
National chains (Sears, Penney, Ward)	5.6	6.2	9.2	7.1
Specialty stores	44.0	41.4	36.5	36.5
Discount stores	13.3	7.9	9.4	10.5
Other & no answer	9.6	6.6	10.5	9.3
Price paid				
Less than $20	4.8	5.5	52.9	53.4
$20 & over	95.2	94.5	47.1	46.6
$20 - $39.99	13.2	14.6		
$40 - $69.99	28.4	25.8		
$70 - $99.99	19.6	17.7		
$100 & over	33.9	36.4		
By major fiber content				
100% polyester	17.4	23.0	21.9	20.0
Polyester blends	28.6	31.9	39.2	40.2
Cotton, cotton blends	3.5	4.0	13.4	10.4
Wool, wool blends	32.4	27.1	12.7	14.5
Other	12.3	8.1	7.0	9.2
No answer	5.8	5.9	5.8	5.7

* Columns may not add exactly to 100% due to rounding.

Source: NPD Special Industry Services.

FUR APPAREL

Market Trends

The U.S. fur apparel industry fared better than might be expected in 1982 in view of the poor economic conditions prevailing during the year, the high interest charges and a strong dollar which held down exports while imports climbed. The strong position the fur industry has taken in recent years in the fashion scene, the continued demand for luxury furs, and the popularity of furs among the affluent and young career women were major factors in a sales increase estimated at 5% over the 1981 total.

Major changes are taking place in the domestic industry, however. The high cost of doing business and the scarcity of skilled labor are causing many small fur manufacturing establishments to go out of business. The industry is becoming increasingly concentrated among a few large firms.

Manufacturers are competing with retailers for the consumer dollar, particularly in Manhattan, holding special weekend promotions in hotels, opening free standing stores and operating fur departments in discount outlets.

Furs for men have become much more important in recent years, and are expected to increase in 1983. In general, however, it is reported that as retailers entered 1983, inventories of fur apparel were leaner than they had been in many years, and the new season was being approached with caution in buying.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The latest detailed information on the fur industry is covered in the 1980 annual survey of manufacturers covering a representative sample nationwide, conducted by the U.S. Bureau of the Census. Findings have been adjusted for comparability with the complete census of manufactures, last conducted for the year 1977.

GENERAL INDUSTRY STATISTICS

Fur Goods (SIC 2371*)

	1980	1979	1977	% Change 1980/1977
Number of companies	na	na	620	--
Number of establishments, total**	505	526	620	- 18.5%
Number with 20 or more employees	43	55	48	- 10.4
Employees, total (thous.)	4.4	4.8	4.0	+ 10.0
Production workers (thous.)	3.4	3.8	3.2	+ 6.2
Payroll (mil. $)	$ 68.2	$ 62.9	$ 51.5	+ 32.4
Value added by manufacture# (mil. $)	156.1	147.1	112.8	+ 38.4
Value of industry shipments## (mil. $)	541.8	488.5	383.4	+ 41.3
Capital expenditures, new (mil. $)	1.0	4.1	0.5	+100.0

na = not available

*SIC 2371 includes establishments primarily engaged in manufacturing fur coats and other garments, accessories, and trimmings made of fur. The industry includes producers of fur caps, coat linings, glove linings and other fur apparel, such as capes, coats, hats, jackets and neckpieces. Establishments primarily engaged in manufacturing sheep-lined clothing are classified in Industry 2386, and those engaged in dyeing and dressing of furs in Industry 3999.

**Each business location is counted as a separate establishment. Data for 1979 and 1980 are from County Business Patterns, an annual report issued by the Census Bureau which covers establishments with paid employment.

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in the industries. The value of shipments of fur goods only, by all producers, (product shipments) including manufacturers making them as secondary products, is covered on page 29.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977;
Annual Survey of Manufactures, 1979, 1980.

There are undoubtedly many one-man operations making specialized types of fur goods in the U.S. and government figures do not include these. Of the manufacturers with paid employees, most plants had from one to four (62% in 1980). The 3.5% of the plants with 20 or more employees, however, accounted for 42.4% of the industry paid employment.

GENERAL INDUSTRY STATISTICS

The Census Bureau reported that in 1977 the four largest companies in the Fur Goods Industry accounted for about 11% of total industry shipments; the 50 largest accounted for 51% of the total.

Fur Goods Manufacturers
Distribution of the Number of Plants & of Employees
By Employment-Size Class, 1979, 1980

	Plants		Employees	
	1980	1979	1980	1979
Total	100.0%	100.0%	100.0%	100.0%
Number of employees*				
1 to 4	62.0	57.2	16.8	16.2
5 to 9	17.4	17.5	16.7	15.6
10 to 19	12.1	14.8	24.1	24.8
20 or more	8.5	10.5	42.4	43.4

* Only manufacturing operations with one or more paid employees are included in this table.

Source: U.S. Bureau of the Census, County Business Patterns.

The industry expects the Eighties to mark a period of consolidation within the U.S. fur manufacturing industry, with the larger firms gaining more business and smaller companies either being absorbed by the bigger ones or disappearing.

The fur industry is a cash-intensive industry, and has been hurt by the high interest rates prevailing in 1981-1982 and by rising labor costs. The result has been that large firms are getting larger, smaller firms are being forced out of business. A recent trend, expected to continue this year, is toward a reduction in the size of the average manufacturers' factory, and an increase in the use of outside contractors.

The U.S. fur industry is heavily concentrated in New York--particularly in Manhattan. According to the 1977 Census of Manufactures, about 86% of all fur manufacturing establishments in the U.S. were in New York and this market accounted for over 90% of total value of shipments.

According to the American Fur Industry (AFI), the promotional arm of domestic fur manufacturers, the industry currently consists of about 600 manufacturers, most of which are in the New York City area.

Manhattan's fur industry is shrinking, however. The Furriers Joint Council of New York, which represents workers in fur manufacturing, reports that it now has 2,500 members. In addition there are an estimated 3,500 non-unionized workers, making a total of 6,000--down from 12,000 in the 1960's. Modernized technology and increased productivity are said to account for some of the decline, in addition to the industry problems previously noted.

SHIPMENTS

According to preliminary figures for the year 1980 compiled in the latest available annual survey of manufactures by the U.S. Census Bureau, shipments of all types of fur goods by U.S. manufacturers were valued at close to $540 million. This represented a gain of almost 16% compared with the previous year and was 51% above the 1977 figure based on a complete census of U.S. manufacturers.

Value of Shipments of Fur Goods By All U.S. Producers, 1977
(Millions of Dollars)

	Value of Shipments					
	1980*	1979	1978	1977	% Change 1980/1979	% Change 1980/1977
Fur goods, total	$539.8	$466.8	$384.9	$358.5	+ 15.6%	+ 50.6%

* Defined as of "limited reliability."

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977;
Annual Surveys of Manufactures, 1978-1980.

Of the total value of shipments of fur goods in 1977, reported at $358.5 million, the 50 largest companies in the U.S. accounted for over half (52%), the 20 largest companies held a 33% share; the four largest, 12%. Comparable figures in the previous census covering the year 1972 were 39%, 23% and 7%, respectively. Concentration of sales among fewer large companies has continued since 1977.

U.S. manufacturers' shipments in 1982 hit an estimated total of over $600 million, according to available information. Gains were held down by the recession, which affected lower- and middle-priced furs more than the higher-priced apparel, as well as by a decline in the export market.

FOREIGN TRADE

According to the American Fur Industry (AFI), imports of fur apparel into the U.S. rose about 25% in 1982 while exports slid at about the same rate. It was reported to be the second year in a row, after more than a decade of increases, that exports declined. Based on information supplied by the U.S. Bureau of the Census, U.S. exports of fur wearing apparel in 1982 were valued at $47.7 billion. Mink accounted for $20.3 billion, or 42.7% of the 1982 total.

West Germany, which was the second most important market for U.S. furs up to 1981, again lost ground. Exports to West Germany slid 38% in 1982. This decline, coupled with a drop of 52.4% the previous year, brought West Germany's share of the U.S. fur apparel export market to 16.3%, behind Japan's 31.9% and Switzerland's 19.2%. Switzerland, it should be noted, is a major wholesaling center for furs.

The decline in exports was attributable to the strong U.S. dollar prevailing in 1982, weak economies in traditional U.S. export markets, and the continued emergence of the Far East as a production center. The bulk of fur garments imported by other countries, however, is reported to be of low quality and price--not generally competitive with U.S.-made fur apparel. However, U.S. exports of mink garments dropped 29.8% in 1982, while other fur apparel exports dropped 21.1% compared with 1981.

FOREIGN TRADE

Total fur garment imports into the U.S. in 1982 were valued at $137.1 million in contrast with exports of $47.7 million. Leading markets for U.S. fur apparel in rank order were as follows in 1982: Japan, Switzerland, West Germany, Canada, Great Britain, Italy, Venezuela, Mexico, France and Sweden. Last year saw Canada move from seventh place as a market for U.S. apparel to fourth, while Hong Kong and Iceland dropped out of the top 10 and Mexico and Sweden made the list.

The Korean Republic has held the position of top supplier of imported fur apparel for the past two years, replacing Hong Kong. In spite of the fact that Hong Kong furs are duty-free to the U.S., and there are no quota restrictions, Hong Kong has dropped from its position as the top foreign source to third position. This is attributed to a shift in emphasis in Hong Kong to higher quality fur apparel for which Japan offers them a bigger market.

Canada has grown rapidly as a source of U.S. imports of fur apparel, accounting for 21.4% of the total value of U.S. imports in 1982, up from 17.6% share in 1981, about 13% in 1980. In all, fur imports from the Far East and Canada account for about 15% of the dollar volume of furs sold in the U.S., according to trade sources.

The Value of Imports of Fur Clothing & Articles
By Leading Country of Origin, 1980-1982
(CIF Value in Thousands of Dollars)

	1982	1981	1980	% Change 1982/1981
Total value	$137,106	$110,759	$88,839	+ 23.8%
Korean Republic	51,138	35,856	26,603	+ 42.6
Canada	29,386	19,479	11,456	+ 50.9
Hong Kong	19,491	21,191	29,263	- 8.0

The CIF value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports, FT 135.

RETAIL SALES

Retail sales of furs in the U.S. in 1982 topped the $1 billion mark for the second year in a row and were up an estimated 5% over the 1981 record level, according to the AFI. Not all segments of the industry enjoyed gains, however. Customers for lower- and middle-priced furs were most affected by the downturn in the economy, but affluent, fashion-conscious customers gave sales of luxury furs a healthy boost in most stores. The gain in 1982 was mainly a gain in real terms, as there were actual declines in the prices of fur pelts, particularly mink--the largest selling fur--which offset some increases in other types of furs, notably fox.

RETAIL SALES

Retail Sales of Fur Apparel in the U.S., 1974-1982
(Millions of Dollars)

1982	1981	1980	1975	1974
$ 1,078	$ 1,027	$ 944	$ 525	$ 441

Source: American Fur Industry

Fur business was generally better than expected in 1982, particularly toward the end of the year. The underlying impetus to sales noted in recent years still had an impact--including the importance of furs in the wardrobes of the rapidly expanding number of career/professional women and the growing popularity of furs among young women. In past years furs were mainly worn by older women and were usually not purchased by women themselves, but by a male. Now the reverse is true. There is now a great variety of styles in furs, offering a wide choice, and many women are building fur wardrobes.

Another dimension to the retail market has been added in sales of furs to men. While this still represents only a small part of the total retail market, interest in men's furs is growing and sales are expected to take an increasingly large share as the economy improves.

The latest official figures on fur sales by type of retail outlet are from the 1977 census of retail trade compiled by the U.S. Bureau of the Census. Sales figures include re-modeling and repair work done by furriers.

Furriers & Fur Shops, 1972, 1977

Number		Sales (Thous.$)	
1977	1972	1977	1972
1,887	2,018	$322,345	$199,478

Source: U.S. Bureau of the Census, Census of Retail Trade, 1977, 1972

RETAIL SALES

Reported Sales of Women's Furs & Fur Garments
By Store Type (Not Including Furriers), 1977
(Includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number*	% of Total	Mil. $	% of Total
Women's furs & fur garments	8,486	100.0%	$ 364.6	100.0%
Department stores**	3,231	38.1	164.6	45.2
Women's ready-to-wear stores	4,352	51.3	171.7	47.1
Family clothing stores	857	10.1	27.8	7.6
Children's wear stores	46	0.5	0.5	0.1

*Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

**Includes discount department stores as well as traditional department stores. Sales of catalog order desks within these stores are included in the department store data.

Source: Based on U.S. Bureau of the Census
Census of Retail Trade, 1977,
Merchandise Line Sales RC 77-L.

Where furs are sold in department and specialty stores leased fur departments account for most of the retail sales. However, department stores no longer dominate fur retailing as they did in the past, except for a few exceptional stores which are targeting their promotions to a select clientele mainly for luxury furs.

Moving into this void are fur manufacturers, particularly in New York, who are greatly increasing their activities as retailers, in order to obtain a faster turnover of stock. Large-scale weekend promotions in hotel ballrooms, off-price promotions, leased fur departments in discount outlets are among the stepped-up retail activities of manufacturers, some of whom now report that retail operations move up to 75% of their stock.

Another new development has been the selling of furs by mail and Spiegel has issued a special fur catalog. According to the American Fur Industry, there are currently 7,400 retail establishments in the U.S. selling furs.

Department Stores

Fur departments in department stores with a total volume of $1 million or more registered a median gain of 12.8% in 1981 over 1980, according to the National Retail Merchants Association. Sales per square foot averaged $203, compared with $153 in 1979, and the fur department accounted for a typical 1.5% of total sales of the adult women's apparel division in 1981, up from 0.8% in 1979.

RETAIL SALES

Department Stores

Merchandising & Operating Results in Fur Departments, 1981
(Median Results for Department Stores With Sales Over $1 Million)

Net sales, % change from 1980	+ 12.8%
Net sales, % of adult female apparel	1.5
Net sales, % of total store sales	0.4
$ sales per sq. ft. of selling space (main or largest selling unit)	$203.3
Cumulative markon, %	44.7%
Gross margin, % of net sales (including cash discounts)	38.8
Markdowns, retail, % of net sales	16.4
Number of stock turns (times)	1.4
Salespeople's salaries, % of sales (main or largest selling unit)	7.6
Sales promotion, % of net sales	3.4

Source: National Retail Merchants Association, Merchandising & Operating Results of 1981, (1982 Edition)

Percent of Department Store Sales of Women's Furs 5 Year Average, By Month

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
Furs	8.4	6.0	6.1	6.1	4.3	2.4	4.1	9.0	7.9	12.4	13.1	20.2	100.0%

Source: Newspaper Advertising Bureau, based on Federal Reserve Board data-1961-1965, (latest available).

RETAIL ADVERTISING

Seasonality in Retailers' Newspaper Advertising Linage On Women's Furs & Fur Garments, 1979, 1981

Furs & Fur Garments	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
1981	14.6	11.1	7.7	2.8	3.6	1.8	4.1	9.2	9.2	8.6	12.9	14.4	100.0%
1979	10.4	8.4	6.2	4.3	2.5	1.6	4.9	10.2	9.8	11.1	17.0	13.6	100.0%

Source: Advertising Checking Bureau, Neustadt Reports Division, covering retail newspaper linage in seven cities.

(For Consumer Buying Habit information on furs, see pages 23 and 24.)

FAIRCHILD FACT FILES AVAILABLE FOR 1983

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1982 Edition available now -- 1983 Edition will be available in January, 1984)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1982 Edition available now -- 1983 Edition will be available in December, 1983)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and findings in a comprehensive consumer survey conducted by Footwear News Magazine. ($15.00) (1982 Edition available now -- 1983 Edition will be available in July, 1983)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season. (May)

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month. (September)

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (November)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (August)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits. (Special Fact File for 1983, $15.00) (June)

SOFT SURFACE FLOOR COVERINGS: Trends in the number of manufacturers, on production and value of shipments of major types of soft surface floor coverings, and foreign trade, are covered in this report. Retailing information includes departmental merchandising and operating results, estimated volume by type of outlet and trends in consumer buying.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (Special Fact File for 1982, $15.00)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (October)

TOILETRIES, BEAUTY AIDS, COSMETICS AND FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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Personal Electronics

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NOTE: The term "consumer electronics" covers a rapidly expanding, diversified group of products, including computers, electronic calculators, home entertainment and communications systems, and home security products. Because many of the included manufactures are not separately reported in government industry statistics, but are "lost" in broad figures that include manufactures for larger industrial/commercial markets, it has been found necessary to divide this Fact File into two parts. Part I covers the fast emerging components of the consumer electronics market which are not reported as separate industries in government statistics--including personal computers, calculators, and video games. Part II covers products such as home entertainment items for which industry data as covered in the Standard Industrial Classification system primarily represents manufactures for home or personal use.

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TABLE OF CONTENTS

Page

CONSUMER ELECTRONICS

MARKET TRENDS.. 1

PART I
PERSONAL COMPUTERS, ELECTRONIC CALCULATORS & VIDEO GAMES

MARKET TRENDS.. 2
SHIPMENTS--PERSONAL COMPUTERS.. 3
LEADING MANUFACTURERS--PERSONAL COMPUTERS.............................. 5
FOREIGN TRADE--IMPORTS... 6
FOREIGN TRADE--EXPORTS... 7
THE POTENTIAL MARKET... 8
RETAIL SALES--PERSONAL COMPUTERS....................................... 8
RETAIL SALES BY TYPE OF OUTLET--PERSONAL COMPUTERS.....................13
CONSUMER BUYING HABITS--PERSONAL COMPUTERS.............................14
SHIPMENTS--ELECTRONIC CALCULATORS & VIDEO GAMES........................21
APPARENT CONSUMPTION--ELECTRONIC CALCULATORS...........................22
RETAIL SALES--VIDEO & ELECTRONIC GAMES.................................23
CONSUMER BUYING HABITS--VIDEO GAMES....................................23
CONSUMER BUYING HABITS--ELECTRONIC CALCULATORS.........................27

PART II
HOME ENTERTAINMENT PRODUCTS & SYSTEMS, COMMUNICATIONS PRODUCTS & HOME SECURITY SYSTEMS

GENERAL INDUSTRY STATISTICS..28
  EMPLOYMENT & EARNINGS..30
  INDUSTRY CONCENTRATION...30
  OPERATING RATIOS...31
SHIPMENTS..32
APPARENT CONSUMPTION...38
PRODUCER PRICES..39
FOREIGN TRADE--IMPORTS...39
FOREIGN TRADE--EXPORTS...42
THE SIZE OF THE POTENTIAL MARKET.......................................44
RETAIL SALES BY PRODUCT..46
RETAIL SALES BY STORE TYPE...49
RETAIL ADVERTISING...51
CONSUMER PRICE TRENDS..51
CONSUMER BUYING HABITS...52

SCHEDULE OF ADDITIONAL FACT FILES......................................57

CONSUMER ELECTRONICS

Market Trends

The consumer electronics market is one highly dependent on innovation and changing technology in order to create growth. Starting in the latter 1970's, changes have been coming at such an extraordinarily fast pace that manufacturers are having difficulty keeping up. The Electronics Industry Association estimates that retail sales of consumer electronics stood at about $17 billion in 1981. As the recession of 1981-1982 deepened, consumers became less free with their disposable income and industry analysts generally estimate that total retail dollars in 1982 remained about even with the previous year.

The structure of the consumer electronics industry has changed dramatically over the last two decades and these rapid changes are continuing. Presently, color television sets are the primary product, accounting for more than half of total shipments in 1982. As the personal computer boom continues, and consumers become more aware of the utility of computers, industry analysts estimate that within a few years they will account for a major share of spending for consumer electronics.

Competition is extremely keen, with low cost foreign producers now dominating the consumer electronics market world-wide. It is estimated that imports now account for about half of all sales in the U.S., with almost 85% of these imports coming from the Far East. Domestic producers are relying on innovation in features on their products to compete with the lower priced imports.

Rapidly changing technology has generally kept price increases within the consumer electronics industry at a minimum. Consumer prices for television, as an example, actually declined between 1980 and 1982, despite a sharp rise in the overall consumer price index.

Although many of the individual products in the consumer electronics industry have reached the saturation point and are dependent on replacement sales, there are a wide variety of products within the industry which show the possibility for tremendous sustained growth. Examples of these are video cassette recorders which are in only 5% of all households; home computers, 2%-4%; component stereos, 31.2%.

The future of the consumer electronics industry seems bright to almost all industry analysts. The dual-income household has increased dramatically over the last few years and the trend is for this growth to continue well into the future. This, along with the decision of many couples to delay parenthood and/or to have fewer children, has pushed disposable income up dramatically. As the U.S. economy recovers from the recession in 1983, industry insiders believe that they will be one of the major beneficiaries of the expected spending boom.

The U.S. Bureau of Economic Analysis (1983 Industrial Outlook) estimates that between 1983 and 1987, factory shipments of the home entertainment segment of the industry should grow at a 4.9% compound annual rate. The major reason cited by the Bureau for this future growth is the use of new video products, systems and services for home entertainment and information, and the replacement of older TV receivers with new ones of current designs.

Part I

PERSONAL COMPUTERS, ELECTRONIC CALCULATORS & VIDEO GAMES

Market Trends

The big surge in personal computer sales which started in 1982 will continue to snowball through 1983 and into the foreseeable future. Industry analysts cite two major reasons for the increased sales: the rising number of outlets carrying the machines (including traditional retailers such as department stores, discount stores, toy stores, etc.) and the greater availability of software which is expanding the usefulness of the computer. Many observers have likened the personal computer sales boom to that of television sets in the late 1940's and early 1950's, when sales shot up as more programming was initiated.

Currently, businesses account for roughly 80% of personal computer sales. But with 84 million households in the U.S., only 4% of which already own computers, the potential for this segment is apparent. A January 1983 survey by one computer manufacturer revealed that while 83% of those surveyed were interested in computers, 85% had no plans to buy one, primarily because they did not know how to use it. Exposure to computers in work or school will help overcome this sales obstacle. In fact, 10 home computers are sold for every one found in a classroom, according to a leading manufacturer.

Low-priced, under-$100 computers, dubbed "computer literacy machines" by the industry, will also help introduce the computer age into the household. These machines are easy to use and serve to whet the appetite of the typical user for a more expensive computer with a greater range of functions.

To ensure that computers will become a home staple item rather than a short-lived novelty, a compelling reason for its use must emerge. In 1983, more than half of home computer owners used their machines for game-playing. The videotex concept, currently in the test stages, may provide the answer. This system allows the user to do a plethora of chores, such as home banking and shopping and information retrieval, in a minimum amount of time. It may also allow white-collar employees the opportunity to work at home while still being connected with the office. Market researchers Frost & Sullivan project that as much as 25% of the 1990 white-collar workforce will work from a home terminal.

The continued sales strength of the home computer market may have a negative effect on the market for home video games. In the first quarter of 1983, sales of video game consoles and cartridges were reported to be sluggish. Manufacturers in this $3 billion (in 1982) industry are fighting back by offering consumers improved graphics, voice recognition and synthesis and 3-D effects on their latest models. Many are also delving into the home computer area themselves, by producing equipment which will turn an existing video game console into a home computer or selling entirely new units. Because of the competition from computers, estimated unit sales of game consoles were expected to drop to 5 million units in 1983 from 7.7 million units in 1982. Game cartridges will show an increasing reliance upon licensed movie, TV and arcade game characters, considered a "presold" market, for future sales growth.

Part I

PERSONAL COMPUTERS, ELECTRONIC CALCULATORS & VIDEO GAMES

Market Trends
(continued)

Because of the relative newness of the personal computer and video game industries, there are no separate industry statistics available from the Bureau of the Census on the personal computer or video game industries. These emerging industries are included in broad existing Standard Industrial Classification (SIC) codes. The information generated on these SIC codes, therefore, are more a reflection of the older industries and do not represent an accurate picture of the personal computer or video game manufactures. With the exception of information on electronic calculators, most of the material in the manufacturing section of this part of the Fact File comes from other than government sources.

PERSONAL COMPUTERS

SHIPMENTS

Consoles

Future Computing, a Dallas firm which specializes in personal computer research, produces yearly estimates of total U.S. shipments of personal and home computers based on surveys of computer vendors and retailers. Their 1983 projections and prior year estimates indicate the tremendous growth in shipments of these machines over the past few years.

Forecasted 1983 personal computer shipments are, at 4.45 million units, double the estimated 1982 figure and more than a five-fold increase over 1980. Projected home computer shipments in 1983 will rise 132% above the 1982 level, according to Future Computing. In 1983, home computer shipments will account for 68.5% of shipments of personal computers retailing for $3,000 or less.

Estimated Shipments of Personal & Home Computers
By Retail Price Points, 1980-1982 & Projections for 1983
(Thousands of Units)

	1983 (pro.)	1982	1981	1980	% Change 1983/1982
Under $1,000 at retail					
Personal computers	3,500	1,500	235	85	+ 133.3%
Home computers	2,905	1,200	165	55	+ 142.1
$1,000 - $3,000 at retail					
Personal computers	950	700	440	250	+ 35.7
Home computers	143	112	79	58	+ 27.7

(pro.) = projected.

Source: Future Computing,
Dallas, Texas,
December 1982

PERSONAL COMPUTERS

SHIPMENTS

Peripherals

U.S. shipments of peripherals in 1983 are projected by Future Computing to be worth $985 million, a 103.9% jump over the $483 million 1982 shipment value. In units, over 9.5 million peripherals are expected to be shipped in 1983 by U.S. producers, almost one and a half times the 1982 shipment quantity. Joysticks will account for over half of this total quantity but only 6% of the total shipment value. Better than a quarter (27.3%) of the 1983 shipment value will come from shipments of floppy disks.

Estimated Quantity & Value of Home Computer Peripheral Shipments, 1981, 1982 & Projections for 1983

	Quantity (Thous. Units)			Value (Mil. $)		
	1983 (pro.)	1982	1981	1983 (pro.)	1982	1981
Peripheral shipments, total	9,567	3,869	633	$ 985	$ 483	$ 145
Joysticks	5,197	1,994	273	59	27	5
Cassettes	2,585	1,080	148	134	60	9
Floppy disks	571	290	100	269	152	61
Matrix printers	538	223	44	228	111	32
Monitors	338	155	41	120	58	15
Modems	226	89	19	57	24	6
Letter quality printers	103	34	6	108	47	14
Plotters	9	4	2	10	4	3

(pro.) = projected.

Source: Future Computing,
Dallas, Texas
December 1982

Software

Future Computing projections of the 1983 shipment value of software for home computers show a 140% gain over the 1982 shipment value to $683 million and a 169% increase in the number of units shipped by U.S. manufacturers. In 1983, entertainment software will represent 62% of total unit shipments but a lesser 49% of the shipment value. Education software is projected to display the largest growth rate between 1982 and 1983 -- close to a 200% rise in both the quantity and value of shipments.

PERSONAL COMPUTERS

SHIPMENTS

Software

Estimated Quantity & Value of Home Computer Software Shipments By Type of Application, 1981, 1982 & Projections for 1983

	Quantity (Thous. Units)			Value of Shipments (Mil. $)		
	1983 (pro.)	1982	1981	1983 (pro.)	1982	1981
Total software shipments	17,761	6,592	1,639	$ 683	$ 284	$ 77
By Type of Application:*						
System	468	266	87	47	29	11
Productivity	1,315	625	155	109	55	18
Home business	783	336	67	65	28	6
Scientific-engineering	316	154	34	19	9	3
Education	3,814	1,317	247	106	36	7
Entertainment	11,065	3,894	1,049	337	127	32

* Explanation of application headings:

System - Basic software package which is usually purchased at the same time as hardware. Contains the operating language which enables other software programs to work on the computer.
Productivity - Software which helps the user save time in performing tasks. Examples are word processing, spread sheets, data bases and graphics programs.
Home business - Similar to productivity software, but not quite as powerful.
Scientific-engineering - Higher level software. Used for scientific measurement and designing engineering specifications, for example.
Education - Teaches something to the user.
Entertainment - Game playing software, from adventure to strategic games.

(pro.) = projected.

Source: Future Computing
Dallas, Texas,
December 1982

LEADING MANUFACTURERS

The number of firms manufacturing personal computers has risen dramatically in the last few years as the personal computer began to take root in American society. In 1975, there were only 5 U.S. manufacturers. By 1980, their number had increased to about 25, and in 1982, close to 150 manufacturers were producing personal computers. Sales in the under-$1,000 computer market, the price range at which most home computers are sold, are dominated by four firms--Texas Instruments, Timex/Sinclair, Commodore and Atari--according to trade sources. Many industry observers expect a shakeout among manufacturers to streamline the industry in the near future.

Intense competition, marked by a round of severe price cutting in mid 1983, led many industry analysts to question the profitability of home computers at under-$500 price points.

PERSONAL COMPUTERS

LEADING MANUFACTURERS

Estimated Market Share of the Leading Manufacturers In the Under-$1,000 Personal Computer Market, 1982

	Estimated 1982 Share
Texas Instruments	35%
Timex/Sinclair	25
Commodore	19
Atari	15

FOREIGN TRADE

Imports

In 1982, the import value of electronic calculators fell 15.4% to $121.2 million compared with $143.3 million in 1981. The quantity imported declined 4.5% to 21.3 million units versus 22.3 million the year before. Imports of home video game hardware and video cartridges (which are not reported separately in the import statistics) were valued at $216 million in 1982, 21.7% higher than a year earlier.

The Department of Commerce does not provide a breakdown of personal computer imports but rather places them in a category with all digital stand-alone computers. Imports of these types of computers exceeded 1 million units in 1982, more than double the 1981 number, and were valued at $341.2 million, a 43.6% increase over 1981.

The Japanese, a significant force in the U.S. consumer electronics industry, have yet to make an impact on the personal computer marketplace. A major push for a share of this industry by the Japanese is anticipated by early 1984. However, industry analysts believe they will have trouble making inroads due to a lack of software support.

Meanwhile, the Japanese have concentrated their efforts in the computer peripheral market. It is estimated that half of the low-speed, dot-matrix printers associated with personal (and especially home) computers sold in the U.S. in 1982 were of Japanese manufacture, up from a mere 6% in 1980.

Imports of Personal Computers, Electronic Calculators, Video Game Units & Cartridges, 1981, 1982

	Quantity (Thous. Units)			C.I.F. Value* (Mil. $)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Digital machines with a CPU & input/output capability in a single housing**	1,042.1	475.3	+ 119.2%	$341.2	$237.6	+ 43.6%

(continued)

FOREIGN TRADE

Imports

Imports of Personal Computers, Electronic Calculators,
Video Game Units & Cartridges, 1981, 1982
(continued)

	Quantity (Thous. Units)			C.I.F. Value* (Mil. $)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Game machines other than coin or disc operated, nes, & parts thereof***	na	na	--	$215.6	$177.2	+ 21.7%
Hand-held (pocket-type) electronic calculators	21,331.8	22,333.1	- 4.5%	121.2	143.3	- 15.4

nes = not elsewhere specified.

* The C.I.F. value (cost, insurance, freight) refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price as well as all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at first port of entry in the U.S.

** Includes personal computers as well as small business machines but does not include large mainframe computers.

*** Includes all home video game units as well as video game cartridges.

Source: U.S. Department of Commerce,
FT 246, December 1982, 1981.

Exports

Exports of all types of digital stand-alone computers (including personal computers) fell 4.6% in value to $899.9 million even though the number of units exported rose to 216 thousand units, a 43.9% jump over 1981. In 1982, the export value of home video game systems and game cartridges was $134.5 million, up 19.1% over the 1981 value. Hand-held electronic calculators gained 26.1% in export value to $22 million.

Exports of Personal Computers, Electronic Calculators,
Video Game Units & Cartridges, 1981, 1982

	Quantity (Thous. Units)			Value* (Mil. $)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Digital machines with a CPU & input/output capacity in a single housing**	215.6	149.8	+ 43.9%	$899.9	$943.7	- 4.6%
Game machines other than coin or disc operated, nes, & parts thereof***	na	na	--	134.5	112.9	+ 19.1

(continued)

FOREIGN TRADE

Exports

Exports of Personal Computers, Electronic Calculators, Video Game Units & Cartridges, 1981, 1982

(continued)

	Quantity (Thous. Units)			Value* (Mil. $)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Hand-held (pocket-type) electronic calculators	529.5	470.6	+ 12.5%	$22.2	$17.6	+ 26.1%

nes = not elsewhere specified.

* The export value is based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. As defined, the value excludes the cost of loading the merchandise aboard the carrier and also excludes freight, insurance and other charges incurred beyond the port of exportation.

** Includes personal computers as well as small business machines but does not include large mainframe computers.

*** Includes all home video game units as well as video game cartridges.

Source: U.S. Department of Commerce,
FT 446, December 1981, 1982

THE POTENTIAL MARKET

Various trade sources have placed the market penetration level of video games at around 17% of U.S. households and a smaller 2-4% for home computers. By 1990, expectations are that home computers will be in 20-40% of American households.

Currently, households with home computers tend to be headed by a person in the 25-44 year old age bracket, based on recent survey data. Households containing children under the age of 18 also seem more likely to own a home computer and/or a video game than households without children.

In 1981, over 32.5 million households included at least one child under 18. Between 1980 and 1981, households headed by someone 35-44 years old increased by 6% to 15.3 million, while median income in this household type reached $27,044, a 7.7% rise over 1980. (See table, p. 46)

RETAIL SALES

PERSONAL COMPUTERS

Consoles

While estimates on the number of personal computers sold in 1982 vary from source to source, best estimates place sales at around 3 million units worth roughly $4.8 billion. These sales figures are approximately double 1981 sales of 1.4 million units valued at about $2.35 billion. Home computer sales are expected to explode upward in 1983 by all accounts, but considerable differences exist among estimates. They range from a low of 4 million units to a 6 million unit top, with the retail value in the neighborhood of $6-8 billion. One leading researcher in the industry estimates personal computer sales in the table below.

RETAIL SALES

PERSONAL COMPUTERS

Consoles

Estimated Retail Sales of Personal & Home Computers
In the U.S., 1979-1982 & Projections for 1983
(Billions of $)

	Personal Computers				Home Computers			
	1983 (pro.)	1982	1981	1980	1983 (pro.)	1982	1981	1980
Hardware market	$ 8.0	$ 4.8	$ 2.3	$ 1.2	$ 2.0	$ 0.9	$ 0.2	$ 0.1
Software market	1.8	1.0	0.4	0.2	0.6	0.3	0.08	0.04

(pro.) = projected.

Source: Future Computing,
Dallas, Texas,
December 1982

The personal computer market is actually made up of 4 distinct segments. Sales to major corporations constituted about 25% of dollar sales in 1982, educational institutions represented 10%, small businesses, governments and others accounted for another 45% and the home computer market was responsible for 20% of personal computer sales in dollars. The Eastern Management Group, a New Jersey market research firm, estimates that by 1982 2 million home computers were installed in U.S. households, twice the 1981 number.

Peripherals

In 1982, home computer peripheral equipment sales accounted for 50% of the estimated $1.2 billion home computer market, according to Future Computing. At the present time, peripherals are sold separately from the computer itself. Depending on the equipment desired, expenditures for peripherals can often equal or exceed the price of the basic console. In mid-1983, computer manufacturers were beginning to package their console units with the most popular peripherals, a technique known as "bundling", to promote sales.

Control products (joysticks, trackballs & paddles) are expect to be a big growth area in the coming years. Approximately 1.5 million of these products were sold in 1982, worth an estimated $20 million at retail, compared with only 320,000 units in 1981 at a retail value of about $4 million. Sales estimates for 1983 range between 2 and 3.5 million units sold, worth around $22-38 million.

According to Future Computing, peripherals accounted for 64% of sales in the estimated $860 million home computer hardware segment in 1982. The remaining 36% of sales in the category went for home computer consoles. Projections made by Future Computing in December 1982 indicate that peripherals will grab a larger share of the home computer hardware market and by 1987 will account for 74% of sales compared with 26% for consoles. Letter quality printers are expected to show the biggest growth during this five-year period, from 5% of the 1982 hardware expenditures to 9% of the much larger 1987 market.

Peripherals

Estimated Percent of Sales of Selected Peripherals In the Home Computer Hardware Market, 1982, 1987

	1987 (pro.)	1982
Home computer consoles	36%	26%
Floppy disks	18	18
Matrix printers	13	14
Cassettes	7	7
Monitors	7	7
Letter quality printers	5	9
Modems	3	5
Joysticks	3	5
Other peripherals, including speech input & output, music synthesizers, light pens, etc.	8	9

Source: Future Computing,
Dallas, Texas,
December 1982

Software

Personal computer software sales reached $1 billion in 1982, including about $280 million spent for home computer software. For 1983, sales of personal computer software are expected to climb to $1.8 billion. Future Computing estimates that home computer software accounted for a quarter of overall 1982 sales in the home computer market. Indicative of its growing importance, Future Computing expects home computer software to capture a 46% share of the total market by 1987.

According to the Eastern Management Group, a New Jersey research firm, the top 4 software applications for home computers are: games, financial planning, education and banking. A January 1983 Gallop Poll of home computer owners found that 51% used it for game playing. Almost half (46%) did business or office homework on it while 42% used it as a learning tool for adults and/or children.

Estimated Retail Sales of Software Products by Application, 1982

	1982	
	Mil. $	% of Total
Home computer software market, total	$ 280	100%
By Type of Software:*		
Entertainment	126	45
Productivity	56	20

(continued)

Software

Estimated Retail Sales of Software Products by Application, 1982
(continued)

	1982	
	Mil. $	% of Total
By Type of Software:* (cont'd.)		
Education	$ 34	12%
System	28	10
Home business	28	10
Scientific-engineering	8	3

* Explanation of application headings:

Entertainment - Game playing software, from adventure to strategic games.
Productivity - Software which helps the user save time in performing tasks. Examples are word processing, spread sheets, data bases and graphics programs
Education - Teaches something to the user.
System - Basic software package, usually pruchased along with console. Contains the operating language which enables other software programs to work on the computer.
Home business - Similar to productivity software, but not quite as powerful.
Scientific-engineering - Higher level software. Used for scientific measurement and designing engineering specifications, for example.

Source: Future Computing,
Dallas, Texas,
December 1982

Videotex & Teletext

Videotex is an interactive (two-way) system which allows the user to conduct transactions, retrieve information, send or receive messages, do computations and, in some cases, accept software for limited time use via the telephone. While the initial uses of videotex are mainly for businesses, the home market represents a lucrative field for this service.

Many of the potential home uses of videotex, such as banking services and shopping, were still in the trial stages in mid-1983. However, an AT&T market study predicted that by 1990, between 7 and 8% of all U.S. households will have access to a videotex system, either through a home computer or TV set with a decoder.

To many industry observers, the programs available with videotex will make the home computer an indispensible household tool rather than a plaything. A two-year study of 700 households equipped with a free videotex system, conducted by management consultants Booz, Allen & Hamilton Inc. and concluded in late 1982, found that about two-thirds of the participants were willing to pay $15 a month for the service. Among the most popular programs were household budgeting, personal calendars, games,

RETAIL SALES

PERSONAL COMPUTERS

Videotex & Teletext

education, banking, shopping, travel reservations, monitoring or burglar and fire alarms and electronic messages.

Teletext is easier to use than videotex because it is strictly a one-way system. It can be used to impart news and weather information and provide subtitles, as well as captions for the hearing-impaired, on TV screens with the use of a decoder. According to the Videotex Industry Association, teletext will be used in 33 to 50% of U.S. households by 1990.

Portable Computers

Continued breakthroughs in size and weight reduction of computer components have opened up the market for portable computers. The basic technology for these machines include a microprocessor which serves as a CPU (central processing unit), a memory, programmability, display and storage space. As defined by Frost & Sullivan in a 1983 study on the market for portable computers, there are two main types: integrated portable computer systems (introduced in 1981) and pocket/briefcase computers (first sold in 1980).

Integrated portable computer systems, dominated by the Osborne Computer Corporation, is a system which typically weighs under 30 pounds and can be carried complete in a single carrying case. Frost & Sullivan estimates that sales of these systems will soar to about $2 billion in 1987 compared with $3 million in 1982. From 1983 through 1986, the compound annual growth rate of integrated portables will approach 47% in dollar terms and 84% in units. A small-scale survey of Osborne portable computer owners, conducted by Frost & Sullivan, found that the most popular uses for these machines were as word processors and for accounting procedures.

Pocket/briefcase computers (excluding programmable calculators) typically weigh less than 2 pounds and often are sold with a built-in battery pack. Nearly all models have the ability to transfer stored information to a larger computer system. Japanese calculator manufacturers are the major manufacturers in this category so far. Sales of pocket/briefcase computers are expected to rise at a 47% compound annual rate from 1983 to 1986 and reach $978 million in sales by 1987.

Estimated Retail Sales of Portable Computers, 1981, 1982 & Projections for 1987

	Quantity (Thous. Units)			Value (Billion $)		
	1987 (pro.)	1982	1981	1987 (pro.)	1982	1981
Integrated portable systems	3,100	130	8	$ 2.1	$ 0.3	$ 0.1
Pocket/briefcase computers	5,365	425	250	978.0	141.0	63.0

(pro.) = projected.

Source: Frost & Sullivan, Inc.
The Markets and Competitive Environment For Portable Computers, March 1983

RETAIL SALES BY TYPE OF OUTLET

PERSONAL COMPUTERS

Because of the relative newness of the home computer and video game markets, there are no government-released statistics on retail sales by outlet type. Various trade observers have tabbed the number of traditional retail outlets (including Radio Shack) selling computers at between 15,000 and 20,000 in 1982. Additionally, there were approximately 2,000-3,000 computer specialty stores in operation in 1982. While there is some disagreement among industry researchers on the percent of computer sales held by the different outlet types, all seem to agree that specialty stores accounted for close to half of all sales.

Based on an assortment of surveys of the personal computer market conducted by the International Data Corporation, Framingham, Ma., place of purchase does differ according to the intended use of the machine. Personal computer owners who bought a machine for home use are more likely to have done so via mail order (36%) than are those who bought them for small business or professional use (10%). According to IDC, six out of 10 home users purchased a personal computer at a computer specialty store compared with half of the small business and professional users.

Place of Purchase of Personal Computers
By Type of Usage
(Percent of Respondents)

	Home Use	Small Business/ Professional Use
Computer specialty store	50%	60%
Mass merchandiser	4	--
Mail order	36	10
Direct sales from manufacturers	7	12
Wholesale/distributor	4	10
Other	3	10

Note: Totals add to more than 100% due to multiple responses.

Source: International Data Corporation,
Framingham, Ma.

Analysts also agree, however, that a decline in sales share of computer specialty stores to around 40% of the market is imminent as the traditional retail outlets get more accustomed to selling computers. In 1983, computer specialty stores have a big edge over their retailing counterparts due to their superior computer knowledge and their eagerness to provide services such as training and education.

The number of computer specialty stores in operation continued to mushroom well into 1983 with no end to their proliferation in sight. For example, ComputerLand, one of the largest computer chains in the country (425 stores in early 1983) has more than doubled in size since 1981. As of mid-1983, the chain's expansion plans call for opening 10-15 new stores per month.

RETAIL SALES BY TYPE OF OUTLET

PERSONAL COMPUTERS

An April 1982 report which analyzed sales in computer specialty stores surveyed by Future Computing, Dallas, Texas broke down sales in a typical store as 74% hardware, 15% software and 11% other merchandise (including service, training, books and supplies). The personal computer system itself accounted for 43% of total store sales in the average unit surveyed.

Sales Mix in Computer Specialty Stores

	% of Total Store Sales
Personal computer systems	43%
Printers	15
Software	15
Add-on disks	9
Other hardware	4
Displays	3
Service	3
Supplies	3
Miscellaneous (including books & training)	5

Source: Future Computing,
Dallas, Texas
April 1982

A first quarter 1983 survey of 1,700 computer specialty stores found that sales in these stores were highest during the last quarter of the year, rising from 9.1% in October to 9.9% in November before reaching the December peak of 14.1% of total yearly sales.

Percent of Total Sales Done Each Month
In Computer Specialty Stores, 1982

	Total	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
% of sales	100.0%	6.3%	6.4%	7.3%	6.8%	7.0%	8.0%	8.2%	8.9%	8.0%	9.1%	9.9%	14.1%

Source: Future Computing,
Dallas, Texas

CONSUMER BUYING HABITS

PERSONAL COMPUTERS

In 1982, 3.2% of a nationally-representative panel of 70,000 U.S. households bought a personal computer compared with only 0.7% of the panel in 1981, according to a recent (January 1983) semi-annual survey undertaken by the TRAC Division of NFO Research's Personal Computer and Video Game Monitor Service program. Of those households which bought a computer in 1981 or 1982, 78% employ it strictly for personal use, 16% use it for business only and the remainder split its usage between the two. Asked about their buying intentions for the immediate future, 3.2% of the households said they intend to buy a personal computer during the January to June 1983 period.

Fully half of the households which bought a personal computer in 1981 or 1982 are headed by someone from 35 to 49 years of age. Households with incomes under $40,000 contained two-thirds of the personal computers bought in the two years prior to the survey. Households in the south accounted for 30% of personal computer sales.

Demographic Profile of Households
With Personal Computers, 1981, 1982

		Personal Computers Purchased in:	
	Total	1982	1981
Household Income:			
Under $25,000	33.2%	34.3%	27.5%
$25,000-39,999	33.0	32.7	34.2
$40,000-$49,999	14.4	14.4	15.0
$50,000 & over	19.4	18.6	23.3
Age of Household Head:			
Under 25 years old	4.0	4.1	2.7
25-34 years old	23.4	23.4	23.3
35-49 years old	50.1	49.9	52.2
50-64 years old	18.5	18.9	17.3
65 years old & over	4.0	3.7	4.5
By Region:			
Northeast	24.2	24.4	24.2
North	22.8	22.6	23.7
South	29.6	30.8	25.0
West	23.3	22.2	27.1

Source: TRAC Division,
NFO Research, Toledo, Oh.

The average income of a household with a personal computer purchased in 1981 or 1982 is $34,908, according to the TRAC survey. Households with incomes of $50,000 bought 37.5% of personal computers which cost at least $2,000 and only 13.5% of units priced under $1,000. Nearly 90% of personal computers which cost under $1,000 were bought for personal use only.

PERSONAL COMPUTERS

Household Income of Personal Computer Purchasers By Price, 1981-1982

Household Income	Brands Under $1,000	Brands $1,000 - $2,000	Brands $2,000 & over
Under $25,000	38.1%	21.4%	19.4%
$25,000-39,999	34.1	30.8	28.4%
$40,000-49,999	14.3	15.1	14.7
$50,000 & over	13.5	32.7	37.5
Total	100.0	100.0	100.0
Mean Income	$32,056	$41,106	$43,593

Source: TRAC Division,
NFO Research, Toledo, Oh.

The average price paid for a personal computer over the two-year period covered by the survey (1981-1982) was $785. Computer stores were the most popular outlets for personal computer purchases, followed by Radio Shack and catalog/mail order sales.

Place of Purchase of Personal Computers & Average Price Paid, 1981-1982

	Personal Computers	
	% of Unit Sales	Average Price Paid
Computer stores	18.8%	$ 1,589
Radio Shack	15.5	931
National chains	6.6	544
Sears	2.2	1,221
Penney	1.3	297
Ward	3.2	190
K mart	5.2	230
Toy stores	3.4	246
Catalog/mail order	11.7	300
All other outlets	38.7	726

Source: TRAC Division,
NFO Research, Toledo, Oh.

CONSUMER BUYING HABITS

PERSONAL COMPUTERS

Warwick Advertising in New York City contacted 15,000 nationally-representative multi-person households in October 1982 to uncover information about those who own a personal computer. The 10,816 respondents were almost evenly divided between male and female household heads.

Eight out of 10 computer-owning families surveyed contained an adult member who was involved with computers at their workplace. More than a third of households with personal computers have a child who uses a computer in school.

Households with children under 18 were more likely to own a personal computer than households without children of this age. Including respondents who said they would definitely or probably buy a personal computer in 1983, 11.8% of households with under-18 year old children will own a computer by the end of the year.

Personal Computer Ownership
In Households With & Without Children

	All Households	With Children Under 18 Years: Total	Under 6 Years	6-12 Years	13-17 Years	No Children Under 18
Number of respondents	10,816 100.0%	4,736 100.0%	1,675 100.0%	2,553 100.0%	2,243 100.0%	6,080 100.0%
Personal Computer Owners						
1983*	8.5	11.8	10.1	12.5	12.6	5.6
1982	3.7	5.1	3.9	4.9	6.0	2.5

*1983 percentages include all 1982 owners plus respondents who said they will "definitely" or "probably" buy a computer in 1983.

Source: Warwick Advertising,
Dimensions of the Electronics/Information/
Communication Revolution, February 1983.

PERSONAL COMPUTER SOFTWARE

Frost & Sullivan, a New York-based market research firm, conducted an examination of the personal computer market, excluding game-type and limited-usage machines (i.e. Times/Sinclair 1000, Commodore VIC-20) in late 1982. The survey respondents were 1,291 subscribers of either Byte or Personal Computing magazines. Of those surveyed, 83% owned their own personal computer. Only 18% of the respondents classified themselves as computer novices; the remaining 82% considered themselves either intermediates or experts in their handling of a personal computer.

At the time of their purchase of a personal computer, respondents bought an average of $1,910 worth of hardware and $608 worth of software. During their first year of ownership, respondents typically spent another $1,027 for hardware items and $439 for software. Eight percent of participants who owned computers did all of their own programming.

PERSONAL COMPUTER SOFTWARE

Amount Spent on Personal Computer Software Initially & During the First Year of Ownership

	Percent of Respondents	
Amount Spent on Software	Initial Purchase	Other First-Year Purchases
Less than $100	27.6%	27.0%
$100 - 249	23.5	28.2
$250 - 499	16.9	17.3
$500 - 999	16.5	18.4
$1,000 & over	15.5	9.1

Source: Frost & Sullivan, Inc.,
"The Personal Computer Software Market in the United States"
November 1982

Over half (51.6%) of the respondents to the Frost & Sullivan survey bought their software primarily in computer specialty stores, either chains or independents. Another 38.6% purchased software mainly through the mail.

Primary Place of Purchase of Personal Computer Software

	Percent of Respondents
Computer specialty stores	51.6%
Chains	29.8
Independents	21.8
Mail order	38.6
Trade show	1.2
Bookstore	1.2
College/university store	1.2
Department store	1.1
Other, including user groups, manufacturers, consultants, etc.	5.1

Source: Frost & Sullivan, Inc.,
"The Personal Computer Software Market in the United States"
November 1982

Based on the value of the initial software purchase and subsequent purchases throughout the first year of ownership coupled with Frost & Sullivan's estimate of the personal computer installed based (with the exclusions previously noted), word processing software sold in 1982 had a market value estimated at $48.4 million, more than any other software application. Spread sheets had the second highest estimated market value, $29.4 million.

CONSUMER BUYING HABITS

PERSONAL COMPUTER SOFTWARE

Forecasted Market Value of the Leading Software Applications, 1982, 1983

	Market Value At Retail (Million $) 1983	1982	% Change 1983/1982
Word processing	$ 81.5	$ 48.4	+ 68.4%
Spread sheets	49.7	29.4	+ 69.0
Entertainment	46.8	26.0	+ 80.0
Assembler	40.6	24.3	+ 67.1
Data base manager	37.7	22.9	+ 64.6

Source: Frost & Sullivan, Inc.,
"The Personal Computer Software Market in the United States"
November 1982

Since their acquisition of a personal computer, respondents bought an average of $1,266 worth of business software programs.

Types of Software Programs Purchased & Average Total Expenditures

Type of Software Programs	Average Total Expenditures
Business	$ 1,266
Education	168
Entertainment	113
Home	116
Utility	219

Source: Frost & Sullivan, Inc.,
"The Personal Computer Software Market in the United States"
November 1982

In April 1982, 8,000 Time magazine subscribers were asked to participate in a study undertaken for the magazine by Beta Research designed to uncover demographic information about personal computer and video game owners. Over two-thirds of the 3,657 respondents were below the age of 55 with total household incomes of at least $25,000. Almost a fifth (19.4%) own video games and 7.5% own a personal computer. An additional 6.9% of the respondents indicated that they are likely to buy a personal computer within a year.

Of the respondents who have purchased personal computers, 48% use it primarily in their home while another 12.8% split its usage between the home and the office.

CONSUMER BUYING HABITS

PERSONAL COMPUTER SOFTWARE

The median expenditure for personal computers intended primarily for home use was $1,455. Units selling for under $1,000, 70% of which were purchased for the home, cost a median $448.

Among the leading home applications of personal computers are games and hobbies, personal finance and writing and editing. A quarter of the respondents who purchased their computer less than a year prior to the survey have on-line security systems compared with only 9.9% of all personal computer owners.

Home Uses for Personal Computers & Desired Applications for the Future

	Have Now	Want Next		Have Now	Want Next
Games & hobbies	43.2%	1.5%	On line info systems	9.9%	15.4%
Personal finance, taxes	30.8	13.9	Kitchen management	5.1	5.5
Writing & editing	25.6	12.5	Home security	2.9	7.3
Home management	22.3	13.9	Energy control	2.2	8.1
Records & schedules	20.1	14.3	Recipes	1.8	1.5
Child education	19.0	8.8	Physical fitness program	1.5	4.8
Mailing lists	17.9	7.7	Other uses	1.5	0.8
Adult education	17.6	15.4	No answer	36.6	62.3
Median no. of uses	3.4	3.1			

PERSONAL COMPUTER PERIPHERALS

Creative Computing, a consumer publication focusing on the personal computer field, asked 2,000 subscribers in April 1982 about their use, ownership and purchase of microcomputers and related equipment. The survey, conducted by Beta Research, Syosset, N.Y., yielded 1,327 replies, a 67% response rate. Eighty-four percent of the respondents used a microcomputer at home for personal purposes, and almost half (48%) used one at home for business purposes. About three-quarters (74%) personally own a microcomputer.

Seven out of 10 respondents plan to buy a microcomputer and/or equipment in the 12 months following the survey. A fifth intend to purchase a microcomputer itself, 58% plan a purchase of at least one peripheral item and 43% expect to buy a floppy disk and/or a tape or tape cassette.

CONSUMER BUYING HABITS

PERSONAL COMPUTER PERIPHERALS

Percent of Respondents Who Plan To Buy Microcomputers and/or Equipment For Their Own Use

	% of Respondents
Any equipment	71%
Microcomputers	20
Peripherals (Net)	58
Printers (Net)	27
Line printer	18
Letter quality printer	10
Video equipment (Net)	17
Videoterminal	5
Video monitor	13
Drives (Net)	34
Floppy disk drive	29
Hard disk drive	5
Tape drive	2
Add-on memory	19
Modem	18
Music/voice synthesizer	7
Additional input/output or analog/digital	6
Graphics tablet	4
Plotter	2

Of those respondents to the Creative Computing survey who already own peripherals, 55% bought them at a computer store and 38% obtained them via mail order.

ELECTRONIC CALCULATORS & VIDEO GAMES

SHIPMENTS

U.S. electronic calculator shipments increased 2.6% in value to $488.9 million in 1981. The shipment value of hand-held electronic calculators (from the basic four-function machine to programmable, display and/or printing types) dropped 11.4% to $189.4 million.

Video game shipments from U.S. manufacturers surpassed the $1 billion level in 1981, soaring 129.4% above the 1980 shipment value of $452.2 million. According to trade sources, an estimated 27 million home video game cartridges were sold to retailers in 1981.

ELECTRONIC CALCULATORS & VIDEO GAMES

SHIPMENTS

Quantity & Value of Shipments of Electronic Calculators & Video Games by All U.S. Producers, 1980, 1981

	Quantity (Mil. Units)			Value (Mil. $)		
	1981	1980	% Change 1981/1980	1981	1980	% Change 1981/1980
Electronic calculators, total	na	na	--	$ 488.9	$ 476.4	+ 2.6%
Hand-held	10.5	12.9	- 18.6%	189.4	213.8	- 11.4
Desk-top Peripherals for electronic calculators	2.4	2.4	--	299.5	262.6	+ 14.0
Electronic games, total*	na	na	--	1,037.3	452.2	+129.4

na = not available.

* Includes arcade and amusement center types (except coin-operated), and home electronic games for attachment to TV receivers.

Source: U.S. Bureau of the Census, Current Industrial Reports, MA-36N(81) & MA-35R(81).

About 20 U.S. manufacturers make video game consoles. Atari held the largest market share in 1982, although it was not the overwhelming 70%-80% it had been two years ago.

ELECTRONIC CALCULATORS

APPARENT CONSUMPTION

The apparent consumption value of hand-held electronic calculators dropped 14.6% to $310.9 million in 1981 on a 9.1% decline in apparent consumption units to 32.4 million calculators. Imports accounted for two-thirds of the total quantity available in 1981 and 1980 but its share of apparent consumption value fell to 45% in 1981 from 49% the prior year.

Apparent Consumption of Hand-Held Electronic Calculators, 1980, 1981

	U.S. Shipments		U.S. Exports		Imports		Apparent Consumption	
	1981	1980	1981	1980	1981	1980	1981	1980
Quantity (Thous. Units)								
Hand-held (pocket-type)	10,512.5	12,871.2	470.6	678.2	22,333.1	23,423.9	32,375.0	35,616.9
Value (Mil. $)								
Hand-held (pocket-type)	$ 189.4	$ 213.8	$17.6	$28.9	$139.1*	$179.0*	$310.9	$363.9

*Represents the customs value, which is the selling price of the merchandise excluding U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the U.S.

Source: U.S. Department of Commerce, Current Industrial Reports, MA-35R (81)-1; FT 246, 446 & 410

VIDEO & ELECTRONIC GAMES

RETAIL SALES

Video Games

Video game sales are expected to crack the $5 billion mark in 1983, significantly above the 1982 volume of approximately $3 billion. Sales of game cartridges will account for 60% of 1983 dollar sales with about 120 million game units sold, almost double the 65 million units sold in 1982. Eight million consoles were purchased in 1982, up from 4.5 million in 1981. The number of cartridges sold per console jumped to 9 in 1982 compared with an average of 6 two years earlier.

Video games can now be found in an estimated 14 million households, 17% of all U.S. households. An industry analysis by the investment firm of Sanford Bernstein & Co. concluded that the market penetration rate could hit 30% by 1986.

Hand-held Electronic Games

Hand-held electronic game sales reached their peak in 1980. Since that time, unit and dollar sales have fallen approximately 50% per year. This drop-off has been attributed to the emergence of video games. To restore health to this market segment, a palm-sized video game system was introduced in 1983. The system offers color graphics, 3-D effects and multiple skill levels.

CONSUMER BUYING HABITS

VIDEO GAMES

Almost 9% of the nationally-representative, 70,000 member TRAC panel purchased a video game in 1982, up from 5.7% the previous year. During the six-month period ended June 1983, 2.0% intended to buy a video game, according to the January 1983 survey. Households with incomes under $40,000 contained 83.3% of all video games sold. Almost 35% of video game purchases in 1981 and 1982 were to households in the southern U.S.

Demographic Profile of Households With Video Games, 1981, 1982

		Video Games Purchased in:	
	Total	1982	1981
Household Income:			
Under $25,000	49.0%	53.5%	41.4%
$25,000-39,999	34.3	32.6	37.2
$40,000-49,999	8.9	7.5	11.1
$50,000 & over	7.8	6.4	10.3
Age of Household Head:			
Under 25 years old	5.6	6.1	4.9
25-34 years old	31.2	33.3	27.9
35-49 years old	47.6	44.8	51.8
50-64 years old	13.5	13.6	13.6
65 years old & over	2.1	2.2	1.8

(continued)

Demographic Profile of Households With Video Games, 1981, 1982
(continued)

	Total	Video Games Purchased in: 1982	1981
By Region:			
Northeast	23.5%	21.9%	26.1%
North	24.9	24.9	24.9
South	34.6	36.7	31.2
West	17.0	16.5	17.8

Source: TRAC Division,
NFO Research, Toledo, Oh.

The average price paid for a video game over the two-year period covered by the TRAC survey (1981-1982) was $149. A fifth of all video game sales were done in chain stores.

Place of Purchase of Personal Computers & Video Games & Average Price Paid, 1981-1982

	Video Games	
	% of Unit Sales	Average Price Paid
Computer stores	0.3%	$ 139
Radio Shack	0.7	166
National chains	21.0	150
Sears	11.2	149
Penney	7.7	152
Ward	2.1	145
K mart	11.4	145
Toy stores	7.8	154
Catalog/mail order	7.3	146
All other outlets	51.5	146

Source: TRAC Division,
NFO Research, Toledo, Oh.

Four out of 10 households with children under 18 (including "probable" and "definite" 1983 buyers) in the October 1982 Warwick Advertising survey of 10,816 families will purchase a video game by 1984 compared with only 12.3% of all other households.

VIDEO GAMES

Personal Computer & Video Game Ownership
In Households With & Without Children

	All Households	With Children Under 18 Years Total	Under 6 Years	6-12 Years	13-17 Years	No Children Under 18
Number of respondents	10,816 100.0%	4,736 100.0%	1,675 100.0%	2,553 100.0%	2,243 100.0%	6,080 100.0%
Video Game Owners 1982	24.6	40.5	31.8	44.0	45.1	12.3

Source: Warwick Advertising, Dimensions of the Electronics/Information/Communications Revolution, February 1983.

Information on video game hardware and software and electronic games has been supplied by the Toy Market Tracking Service, a division of National Panel Diary (NPD) Special Industry Services. It is based on findings from an on-going monthly panel diary tracking the purchases of 13,000 nationally representative families.

According to this source, electronic handheld/tabletop game sales reached $500 million in 1982. Close to 21.5 million units were sold, with almost a quarter bought from discount stores.

Place of Purchase of Electronic Handheld/Tabletop Games, 1982
(Percent of Units Sold)

	1982
Discount stores	24%
National toy chains	21
Sears/Penney/Wards	13
Catalog showrooms	7
Toy stores, except national chains	5
Department stores	5
Variety stores	4
All other outlets, including mail order	22

The market for video game hardware was approximately $1.2 billion in 1982 on unit sales of 8.6 million machines, according to projections from the Toy Market Service. Almost 66.7 million game cartridges, worth an estimated $1.6 billion at retail, were sold in 1982. Discount stores were the most popular outlet types for both hardware and software.

VIDEO GAMES

Place of Purchase for TV Video Game Hardware & Software, 1982
(Percent of Units Sold)

	1982	
	Hardware	Software
Discount stores	31%	29%
Sears/Penney/Wards	23	18
National toy chains	9	9
Department stores	7	7
Catalog showrooms	6	6
Variety stores	2	2
All other outlets, including mail order	21	29

To uncover information about home video game ownership and usage, Newsweek magazine commissioned Factline, Inc., New York, to survey recent Atari and Mattel game purchasers in November 1982. All of the 579 respondents had bought a video game system within a year prior to the survey. The household income of the participants was a median $30,700. Almost 9 out of 10 respondents (88%) expressed satisfaction with their system. In addition to a video game unit, a quarter of the households also owned a videocassette recorder and 8.3% possessed a home computer.

On average, the video game system was used 8.5 hours a week. A fifth of the households used it more than 12 hours a week while 38% used it no more than 4 hours during an average week. Users averaged 25 years of age but tended to be slightly older (26.4 years) in households with total incomes of $35,000 and over. In these households, a third of the users were over 35 years old compared with 22.7% in $25,000-34,999 income households and only 17.0% in households with incomes under $25,000.

Almost three-quarters of the respondents considered the selection of games either extremely important or very important in the decision of which video game system to buy.

Factors Considered Extremely Important or Very Important In Influencing the Purchase Decision of a Video Game Unit

	% of Respondents
Has a wide selection of its own games	72.6%
Manufactured the video games we most wanted to play	65.6
Graphics/pictures were more real/life-like	62.1
Was the best value for the money	61.9
Had the best reputation for durability	55.6
Experienced manufacturer of video game equipment	52.7
Good sound effects	52.6
On sale at a reduced price	33.8
Looked attractive/good looking design	33.1
Could be used as a small computer	7.4

CONSUMER BUYING HABITS

VIDEO GAMES

Nearly 66% of respondents in the Newsweek survey felt that future video games systems should also be able to act as home computers. An almost equal number thought that future systems should come equipped with a voice synthesizer to imitate a human voice.

ELECTRONIC CALCULATORS

Almost three-quarters (72.2%) of the 981 persons interviewed in a Merchandising magazine poll conducted in shopping areas during January and February 1983 said they own an electronic calculator. Another 8.4% expect to purchase one in 1983. Mini-card, hand-held calculators are the most popular type. Of the 790 respondents who either own a calculator or expect to purchase one, 54.7% will buy, or already have, this type.

Type of Electronic Calculator Owned or Expected to Own, 1983

	Percent of Respondents*
Hand-held calculators	
Mini-card	54.7%
Scientific	19.1
Printer	15.3
Programmable	14.9
Other	0.3
Desk-top	
Printer & display	28.4
Display only	15.6
Printer only	12.9

*Total exceeds 100% due to multiple responses.

Source: Merchandising magazine,
May 1983.

PART II

HOME ENTERTAINMENT PRODUCTS & SYSTEMS, COMMUNICATIONS PRODUCTS & HOME SECURITY SYSTEMS

AT THE MANUFACTURER LEVEL

A major component of the consumer electronics market is in the home entertainment area--dominated now by color television sets. Many of these products--unlike those covered in Part I--are separately defined consumer products under the Standard Industrial Classification system, and are covered in Census Bureau and Department of Labor industry reports.

A complete census of all manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census--the most recent covering the year 1977. In intra-census years, the Bureau conducts an annual survey of a sample of manufacturers. Reports from these surveys are adjusted for comparability with findings in the complete Census.

The latest annual survey report covers operations in the year 1981.

GENERAL INDUSTRY STATISTICS

Radio & TV Equipment (SIC 365)
(Including all manufacturers classified in SIC 3651 & 3652)

	1981	1980	1979	1977
Number of companies	na	na	na	na
Number of establishments**	na	933	979	1,087
With 20 or more employees	na	323	351	309
Payroll (mil. $)	$1,323.3	$1,293.6	$1,256.3	$1,097.0
Value added by manufacture (mil. $)#	3,728.1	3,772.0	3,501.3	3,078.1
Value of industry shipments (mil. $)##	8,781.9	8,515.6	8,091.8	6,913.2
Capital expenditures, new (mil. $)	226.5	210.1	217.5	135.7

Radio & TV Receiving Sets (SIC 3651*)

	1981	1980	1979	1977
Number of companies	na	na	na	547
Number of establishments**	na	440	464	581
With 20 or more employees	na	208	216	192
Payroll (mil. $)	$1,038.4	$ 996.1	$ 945.7	$ 852.4
Value added by manufacture (mil. $)#	2,608.1	2,075.2	2,559.1	2,351.8
Value of industry shipments (mil. $)##	7,057.8	6,798.8	6,572.7	5,732.6
Capital expenditures, new (mil. $)	187.2	159.3	165.2	105.8

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GENERAL INDUSTRY STATISTICS

Phonograph Records & Prerecorded Tapes (SIC 3652*)

	1981	1980	1979	1977
Number of companies	na	na	na	679
Number of establishments**	na	490	515	709
With 20 or more employees	na	115	135	133
Payroll (mil. $)	$ 285.0	$ 297.5	$ 310.6	$ 244.6
Value added by manufacture (mil. $)#	1,120.0	1,066.9	942.1	727.3
Value of industry shipments (mil. $) ##	1,724.4	1,716.8	1,519.1	1,181.7
Capital expenditures, new (mil. $)	39.3	50.8	52.3	29.8

na = not available
n.e.c. = not elsewhere classified
(e) = estimated

Standard Industrial Classifications (SIC) =

* SIC 3651 covers establishments primarily engaged in manufacturing electronic equipment for home entertainment, including auto radios and tape players. This industry includes establishments primarily engaged in manufacturing public address systems and music distribution apparatus. Establishments primarily engaged in manufacturing phonograph records and prerecorded tapes are classified in industry 3652. Establishments primarily engaged in manufacturing separate cabinets for home electronic equipment are classified in Major Group 25.

* SIC 3652 covers establishments primarily engaged in manufacturing phonograph records and recorded magnetic tape. Establishments primarily engaged in manufacturing electronic equipment for home entertainment, except records and prerecorded magnetic tape, are classified in Industry 3651.

** Each business location is counted as a separate establishment. Figures for 1979 and 1980 are from County Business Patterns. (U.S. Census Bureau)

# Value added by manufacturer is derived by subtracting the cost of products bought for resales without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others and is for most purposes the best value measure of individual industries.

## The value of industry shipments includes both primary and secondary products made by manufacturers in the industry, as well as receipts for contract work and miscellaneous receipts. The value of primary products made in the industry, as well as the value of these products made by secondary producers is reported in the tables on product shipments.

Source: U.S. Bureau of the Census
Census of Manufactures, 1977
Annual Survey of Manufactures, 1979, 1980, 1981

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Average employment in the radio & TV receiving set industry fell dramatically during 1982, declining 11.8% to 94,600 workers during that period. Production worker employment during this same period showed an even greater decline falling over 15% from the 1981 mark to a total of 64,800 in 1982.

Despite the large decline in the work force in the industry in 1982, the number of hours worked weekly by production workers also showed a decline between 1981 and 1982 falling to an average of 38.6 in 1982 from 39.1 in 1981.

Employment & Earnings in the U.S. Radio/TV Industry

	Annual Averages			% Change
	1982	1981	1980	1982/1981
Radio & TV receiving equipment (SIC 365)				
All employees (thous.)	94.6	107.2	108.8	- 11.8%
Production workers (thous.)	64.8	76.3	78.6	- 15.1
Average weekly earnings	$ 297.20	$ 278.78	$ 249.10	+ 6.7
Average weekly hours	38.9	39.1	38.8	- 0.5
Average overtime hours	1.2	1.5	1.6	- 20.0
Radio & TV receiving sets (SIC 3651)				
All employees (thous.)	73.5	82.2	84.2	- 10.6
Production workers (thous.)	49.4	56.7	58.9	- 12.9
Average weekly earnings	$ 302.62	$ 286.30	$ 255.92	+ 5.7
Average weekly hours	38.6	38.9	38.6	- 0.8
Average overtime hours	1.1	1.5	1.6	- 26.7

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

Industry Concentration

The home entertainment segment of the consumer electronics industry is characterized by a large number of small operations. Census Bureau data for 1980 showed a total of 933 manufacturing establishments in the industry (defined by SIC 365), of which 610 (65%) had fewer than 20 employees.

Industry Concentration

Number of Manufacturing Establishments by Employment Size, 1980

	Radio & TV receiving equipment (SIC 365**)		Radio & TV receiving sets (SIC 3651**)		Phonograph records (SIC 3652**)	
	Number	% of total	Number	% of total	Number	% of total
Total establishments*	933	100.0%	440	100.0%	490	100.0%
Employment size:						
Under 20 employees	610	65.4	232	52.7	375	76.5
20 to 49 employees	141	15.1	78	17.7	63	12.9
50 to 99 employees	60	6.4	38	8.6	22	4.5
100 to 249 employees	56	6.0	42	9.6	14	2.9
250 to 499 employees	35	3.8	25	5.7	10	2.0
500 or more employees	31	3.3	25	5.7	6	1.2

* = Includes only establishments with payrolls.
** = for definition of SIC codes see page 29.

Source: U.S. Bureau of the Census, County Business Patterns, 1980

On a regional basis, the home entertainment segment of the consumer electronics industry is highly concentrated in a few States. According to the U.S. Bureau of Industrial Economics (1983 U.S. Industrial Outlook), the major producing States accounting for the largest percent of shipments in the radio/TV receiving sets industry are Alaska, California, Georgia, Illinois, Indiana, Kentucky, Texas and Virginia.

When the 1977 Census of Manufactures was compiled, Illinois accounted for the largest share (28%) of the radio/TV receiving sets industry, while having less than 10% of the manufacturing establishments. California led in value of shipments of phonograph records and prerecorded tapes, controlling 27.4% of industry shipments, with about 42% of the total establishments in the U.S. industry.

Operating Ratios

Key business ratios by industry classification are compiled by the Business Economics Division of Dun & Bradstreet. Ratios for 1980 in the home entertainment segment of consumer electronics were reported as follows.

GENERAL INDUSTRY STATISTICS

Operating Ratios

Median Business Ratios, 1980 (Selected)

	Radio & TV Sets (SIC 3651)	Phono Records, Tape (SIC 3652)
Number of companies	113	82
Current assets to current debt (times)	2.25	1.86
Net profits on net sales (%)	4.59	7.53
Profits on net worth (%)	23.57	22.28
Sales to net worth (times)	5.28	3.85
Sales to inventory (times)	6.0	12.6

Source: Dun & Bradstreet, 1980 Key Business Ratios.

SHIPMENTS

The structure and product orientation of the home entertainment segment of consumer electronics has changed a great deal in the past two decades. Color television receivers have become the principal product, currently accounting for about 58% of the industry's shipments. U.S. plants with Far East ownership now supply an estimated 35% of U.S. industry color TV receivers.

The production of radios and audio tape recorders has shifted in large part to Japan and elsewhere in the Far East and significant production no longer exists in the U.S. New products, however, such as video disc players and systems, are being produced by U.S. manufacturers.

The value of U.S. factory shipments of radios and TV receiving sets and related products registered a real compound annual rate of growth of 5.0% in the period 1972-1981. Due to the recession, high interest rates and an increase in imports (particularly video cassette recorders and television receivers), shipments in 1982 (valued at a constant 1972 dollar) declined 8.6% from the 1981 level.

According to the U.S. Bureau of Industrial Economics (1982 U.S. Industrial Outlook), factory shipments in the radio/TV receiving set industry are expected to rise 3.3% in 1983 in terms of a constant 1972 dollar. The sale of color television receivers is expected to provide the impetus for this growth. A major domestic market for new receivers is resulting from the replacement of older sets with those incorporating modern technology and features such as solid state circuitry, electronic tuning, remote control and comb filters to improve picture resolution.

In addition, the increased variety of video program sources--cable, pay cable, subscription TV, multiple distribution services, video discs and video cassettes--and the alternative uses of the TV receiver for home computer and video game displays provide incentives for the ownership of more than one TV receiver per home.

SHIPMENTS

Factory shipments of automobile radios are expected to show a good increase in 1983 as automobile sales rise. The demand for supplementary higher powered high fidelity autosound equipment should continue at the 1982 level. The market for hi-fi audio equipment, loud speakers and accessory equipment is expected to continue at or slightly above 1982 levels.

Factory shipments by the home entertainment segment of the U.S. consumer electronics industry in constant dollars are expected to increase at a compound annual rate of 4.9% between 1983 and 1987, according to the U.S. Bureau of Industrial Economics. Continued growth is expected primarily because of the increasing development and use of new video and audio products, systems and services for home entertainment and for information.

According to findings in the 1981 annual survey of manufactures (released in April 1983 by the U.S. Bureau of the Census), the value of U.S. manufacturers' shipments of radio and TV sets and related equipment amounted to $5,634.5 million, showing a slight gain over the 1980 total. Shipments of records, record blanks and prerecorded tapes were up 4.5%, reaching $1,463.5 million in 1981.

Value of Shipments by All U.S. Producers of Specified Consumer Electronics, 1980, 1981

	Millions of $		% Change
	1981	1980	1981/1980
Radio & TV receiving sets	$5,634.5	$5,608.6	+ 0.5%
Radios: Home, portable & automotive	745.3	761.1	+ 2.1
Television receivers	3,499.2	3,332.6	+ 5.0
High Fidelity components	425.7	569.3	- 25.2
Speakers, inc. loudspeaker systems	800.2	804.0	- 0.5
Radio & TV receiving sets, n.s.k.	164.0	141.6	+ 15.8
Records, record blanks & prerecorded tapes	1,463.5	1,400.4	+ 4.5

Source: U.S. Bureau of the Census,
Annual Survey of Manufactures, 1980, 1981

In addition to information on value of shipments compiled in the annual surveys of manufactures, data in greater detail by product is compiled by the U.S. Bureau of the Census through sample surveys conducted among U.S. manufacturers of home-type radio receivers, television sets, phonographs, hi-fi components and speakers, results of which are published in the Current Industrial Reports series.

As noted previously, industry analysts look to color television receivers to provide the biggest area for growth in 1983. The number of receivers shipped is expected to rise from 10 million in 1982 to 10.5 million in 1983. The latest detailed figures, from the Current Industrial Series, for the year 1981 show total shipments of TV receivers of all types were valued at close to $3.4 billion, which was 2.5% above the 1980 total.

SHIPMENTS

Quantity & Value of Shipments of Specified Consumer Electronics, 1981, 1980
(Quantity in thousands of units; Value in thousands of dollars)

	Quantity			Value		
	1981	1980	% Change 1981/80	1981	1980	% Change 1981/80
Home portable & automobile radios & radio-phonograph-tape recorder combinations, total	7,661.1	7,672.2	- 0.1%	$765,623	$707,979	+ 8.1%
Home radio receivers, exc. hi-fi receivers, radio phonograph combos., & TV receivers	120.8	205.5	- 41.2	6,537	10,798	- 39.5
Radio-phonograph-tape recorder combos.	834.1	1,050.0	- 20.6	118,922	151,529	- 21.5
Table & portable	647.6	802.2	- 19.3	84,001	106,701	- 21.3
Monaural Stereo & quadraphonic	647.6	802.2	- 19.3	84,001	106,701	- 21.3
Console model	186.5	247.8	- 24.7	34,921	44,828	- 22.1
Automobile radios	6,706.2	6,416.7	+ 4.5	640,164	545,652	+ 17.3
AM-FM	613.7	916.6	- 33.0	44,900	59,316	- 24.3
AM-FM with tape player	1,966.6	1,637.4	+ 20.1	327,456	253,377	+ 29.2
Household television receivers, including television combinations	10,358.7	10,319.7	+ 0.4	3,378,809	3,297,274	+ 2.5
Table & portable models	7,846.0	7,841.8	+ 0.1	2,166,358	2,107,854	+ 2.8
Monochrome over 10 in. through 17 in. Monochrome, over 17 in. Color 10 in. or less Color, over 10 in. through 17 in.	2,226.1	2,427.9	- 8.3	430,175	497,704	- 13.6
Color, over 17 in.	5,619.9	5,413.9	+ 3.8	1,736,183	1,610,150	+ 7.8
Console & consolette models	2,471.9	2,434.2	+ 1.5	1,191,144	1,166,576	+ 2.1
TV, radio, phonograph & tape recorder combination models	40.7	43.7	- 6.9	20,307	22,844	- 11.1
Recorders, phonographs, hi-fi components & radio & television chassis	19,196.2	20,624.2	- 6.9	543,641	513,908	+ 5.8
Phonographs						
Portable, table & console	1,184.0	1,425.1	- 16.9	39,724	48,469	- 18.0
Stereo compact systems	898.7	1,029.7	- 12.7	100,675	106,765	- 5.7
Consumer hi-fi components	15,729.2	16,991.2	- 7.4	208,557	220,937	- 5.6
Stereophonic receivers	276.1	281.6	- 2.0	49,570	51,920	- 4.5
Tuners (AM-FM & FM)	12.8	18.5	- 30.8	2,604	3,620	- 28.1
Preamplifier control units	25.2	33.2	- 24.1	11,148	13,424	- 17.0
Power amplifiers	96.6	84.0	+ 15.0	33,244	31,360	+ 6.0
Monophonic	13.5	10.2	+ 32.4	3,439	3,021	+ 13.8
Stereophonic	83.1	72.8	+ 14.1	29,805	28,339	+ 5.2
Turntables (record players)	385.9	296.0	+ 30.4	25,000	19,363	+ 29.1
Phonograph arms (sold separately)	140.8	416.5	- 66.2	1,243	1,898	- 34.5
Phonograph cartridges & pickups	3,311.3	4,509.4	- 26.6	35,194	43,412	- 18.9
Phonograph needles & styli	10,325.1	10,180.8	+ 1.4	30,290	32,669	- 7.3

(continued)

Quantity & Value of Shipments of Specified Consumer Electronics, 1981, 1980
(Quantity in thousands of units; Value in thousands of dollars)
(continued)

	Quantity			Value		
	1981	1980	% Change 1981/80	1981	1980	% Change 1981/80
Consumer audio/video recorders, exc. radio-phonograph-TV-recorder combos., office recording machines, & recorder mechanisms, incl. all other home-type electronic equip. sold separately	1,294.3	1,053.2	+ 22.9%	$176,334	$ 95,401	+ 84.8%
Audio tape recorders & players	90.8	174.6	- 48.0	13,963	25,102	- 44.4
Video recorders & players, complete	nr	nr	--	nr	nr	--
Other home-type electronic equip.	919.5	776.4	+ 18.4	96,680	47,237	+104.6
Speaker systems, microphones, home-type electronic kits & commercial sound equip., incl. public address systems	48,753.0	44,800.1	+ 8.8	816,552	792,773	+ 3.0
Loudspeaker systems, one or more speakers in a single enclosure	4,446.6	4,667.3	- 4.7	305,405	368,589	- 17.1
Floor standing	2,007.9	1,931.1	+ 4.0	160,621	179,202	- 10.4
Bookshelf	2,113.2	2,269.6	- 6.9	120,873	141,575	- 14.6
Other loudspeaker systems	325.5	466.5	- 30.2	23,911	47,812	- 50.0
Loudspeakers sold separately, incl. radio, television & auto. radio speakers	40,591.8	36,622.6	+ 10.8	324,619	270,416	+ 20.0
Microphones	2,122.2	2,235.3	- 5.1	49,550	46,931	+ 5.6
Home entertainment equipment kits, incl. amplifiers, audio preamplifiers, audio tuners & other, n.e.c. Music distribution systems (FM multiplex subscriber service)	694.1	493.1	+ 40.7	39,422	23,129	+ 70.4
Public address systems	898.2	781.7	+ 14.9	97,556	83,708	+ 16.5

n.e.c. = not elsewhere classified. nr = not reported.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Radio and Television Receivers, Phonographs and Related Equipment MA-36M(80)-1.

Manufacturers' shipments of recording products (both records and tapes), fell off slightly overall in 1982 according to the Recording Industry Association of America. The gains recorded by shipments of cassette type tape, 44.5% on a dollar basis, were not enough to offset the decline registered by all other segments of the industry.

Overall, shipments of records and tapes in 1982 were valued at $3.6 million at the manufacturers level.

Shipments of Phonograph Records & Prerecorded Tapes, 1981, 1982
(Quantity in Millions of Units; Value in Thousands of Dollars)

	Quantity			Value		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Total, all reported categories	575.6	594.0	- 3.1%	$3,592.0	$3,626.0	- 0.9%
Discs, total	378.7	420.0	- 9.8	2,177.0	2,359.0	- 7.7
Singles	137.2	147.0	- 6.7	283.0	246.0	+15.1
Disc albums	241.5	273.0	- 11.5	1,894.0	2,113.0	-10.4
Tapes, total	196.9	174.0	+ 13.2	1,415.0	1,267.0	-11.7
8-track	13.7	50.0	- 72.6	36.0	313.0	-88.5
Cassettes	183.2	124.0	+ 47.7	1,379.0	954.0	+44.5

Source: Recording Industry Association of America

According to the Electronics Industry Association (HFD - Retailing Home Furnishings, 6/13/83) the fastest growing category of home entertainment equipment over the first 21 weeks of 1983, was the home video cassette recorder group, whose shipments to dealers more than doubled during the period to 1.2 million units from the same period in 1982. The only measured category to register a decline in its shipments to dealers over the same period was the monochrome TV group where shipments were off 7.8%.

Video cameras registered the greatest amount of growth for the full year 1982 vs. 1981 according to the EIA. This group garnered an increase of 56% in unit shipments while the second largest increase was for video cassette recorders, up 49.5%.

Manufacturers' Sales to Dealers of Selected Home Entertainment Equipment*
(Thousands of Units)

	Jan. 2, 1983 - May 27, 1983			Annual totals		
	1983	1982	% Change 1983/1982	1982	1981	% Change 1982/1981
Television, total	6,762.4	6,318.4	+ 7.0%	17,131.5	16,698.2	+ 2.6%
Monochrome	1,983.6	2,151.0	- 7.8	5,765.2	5,540.9	+ 4.0
Color	4,778.8	4,167.4	+ 14.7	11,366.3	11,157.3	+ 1.9
Home video cassette recorders	1,230.0	600.2	+104.9	2,034.8	1,361.0	+49.5
Video cameras	122.9	104.8	+ 17.3	295.9	189.8	+56.0
Projection TV	47.7	31.1	+ 53.4	117.3	121.7	- 3.6

* These figures from the marketing services department of the Electronic Industries Association reflect total market statistics for products in the United States regardless of country of origin.

Source: HFD - Retailing Home Furnishings

SHIPMENTS

The following table shows the 1982 distribution of shipments by month of specified types of Home Entertainment equipment as reported by the Electronics Industry Association in HFD - Retailing Home Furnishings.

Manufacturers Shipments of Selected Consumer Electronics by Month, 1982

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Televisions, total	100.0%	6.9	7.4	8.9	7.0	6.7	9.1	7.2	7.2	10.6	9.4	9.0	10.7
Color	100.0%	7.1	7.2	8.9	7.1	6.3	9.3	7.3	7.1	10.8	9.5	9.3	10.2
Monochrome	100.0%	6.7	7.9	8.8	6.6	7.4	8.7	7.0	7.3	10.1	9.1	8.5	11.8
VCR's	100.0%	5.4	6.0	6.9	5.7	5.4	5.4	7.0	6.7	11.9	11.8	11.4	16.3
Video cameras	100.0%	6.3	6.4	7.5	6.5	8.8	8.1	8.8	6.3	9.1	9.7	8.0	14.6
Projection TV	100.0%	6.1	5.5	5.4	5.3	5.3	4.3	6.6	8.4	13.6	14.0	12.4	13.3

Source: HFD-Retailing Home Furnishings,
(Raw data: Electronics Industry Association)

Video Disc Players

According to Frost & Sullivan, a private market research firm, shipments of video disc players are expected to jump to 600,000 units in 1983, three times the level recorded in 1981. In terms of dollar value of shipments, video disc player shipments are expected to reach $405 million by 1983 while shipments of video discs are estimated to be at $130 million in that same year.

Video Disc Player Shipments, 1981 - 1983

	Quantity				Value			
	(Thous. of units)			% Change	(Millions of $)			% Change
	1983(p)	1982	1981	1983/81	1983(p)	1982	1981	1983/81
Video disc players	600	350	200	+200.0%	$405	$235	$157	+158.0%
Video discs	na	na	na	na	130	70	36	+261.1

na = not available
(p) = projected

Source: Frost & Sullivan,
Home Entertainment & Information Market, No. 843

The following data on apparent consumption for 1981 was compiled by the U.S. Bureau of the Census in the 1981 Current Industrial Reports Series. This represents domestic manufacturers' shipments minus exports plus imports, and most accurately indicates the supply of the covered types of consumer electronics in the U.S. in that year.

Apparent Consumption of Specified Consumer Electronics, 1980, 1981

	1981	1980	% Change 1981/1980	Imports % of Apparent Consumption 1981
	Quantity (Thousands of Units)			
Television receivers				
Monochrome	17,672.2	5,959.5	+ 5.1%	47%
Color		10,860.0		
Loudspeakers	123,329.2	111,433.4	+ 10.7	67
Microphones	5,993.0	6,701.4	- 10.6	93
Automotive radio receivers, tape players/recorders	20,296.8	18,663.0	+ 8.8	71
Radio receivers	33,376.9	29,787.2	+ 12.1	na
Radio-phonograph-tape combinations	16,435.4	na	na	96
Phonograph, record players, cartridges & styli	22,554.9	na	na	27
	Value (Millions of $)			
Television receivers				
Monochrome	$ 4,144.3	$ 410.0	+ 8.5%	24%
Color		3,408.8		
Loudspeakers	835.6	788.6	+ 6.0	36
Microphones	56.6	48.9	+ 15.7	48
Automotive radio receivers, tape players/recorders	1,324.8	1,092.7	+ 21.2	56
Radio receivers	665.2	601.3	+ 10.6	93
Radio-phonograph-tape combinations	1,077.9	826.5	+ 30.4	91
Phonograph, record players, cartridges & styli	448.8	459.6	- 2.3	54

na = not available

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Radio & Television Receivers, Phonographs & Related Equipment, MA-36M(81)-1.

PRODUCER PRICES

Although producer (factory) prices of all items performed extremely well in 1982, showing a rise of only 2% from the previous year, home electronic equipment did even better by registering a decline of 1.2% during this same period. The largest decline was registered by the home radio group (-5.6%).

By April 1983, producer prices of consumer electronics were down 1.1% from April 1982 with the largest decline in the twelve month period coming in the 10" - 17" color TV group (-7.6%)

Producer Price Indexes for Consumer Electronics--1981, 1982, April 1982, 1983
(6/80 = 100, unless otherwise noted)

	April Averages			Annual Averages		
	1983	1982	1983/82	1982	1981	1982/81
All items (1967 = 100)	300.8	298.0	+ 0.9%	299.3	293.4	+ 2.0%
Home electronic equipment (1967 = 100)	86.9	87.9	- 1.1	88.1	89.2	- 1.2
Radio receivers (1967 = 100)	90.3	90.9	- 0.7	91.0	92.3	- 1.4
Home radios	91.6	93.1	- 1.6	92.3	97.8	- 5.6
Radio combos., portable & table	na	na	na	82.5	95.4	-13.5
Car radios	84.4	84.3	+ 0.1	84.3	82.9	+ 1.7
Television receivers (1967 = 100)	84.1	85.8	- 2.0	86.1	88.3	- 2.5
B & W TV, table or portable	91.1	88.6	+ 2.8	89.0	87.6	+ 1.6
Color TV receivers	94.0	95.3	- 1.4	95.5	98.3	- 2.8
Color console TV receivers (1967 = 100)	81.3	81.5	- 0.2	82.4	84.1	- 2.0
Color TV, over 10" - 17"	83.9	90.8	- 7.6	90.5	93.9	- 3.6
Color TV, over 17"	93.7	95.1	- 1.5	93.9	97.5	- 3.7
Other home electronic equip.	98.3	96.8	+ 1.5	96.9	92.9	+ 4.3
Phonographs	112.5	107.7	+ 4.5	107.4	101.2	+ 6.1
Tape recorders & players	110.3	110.3	--	109.7	102.7	+ 6.8
Audio tape recorders	82.2	82.2	--	81.8	77.3	+ 5.8
Speakers (incl. systems)	111.2	110.4	+ 0.7	110.6	107.4	+ 3.0
Bookshelf speakers	99.9	104.4	- 4.3	104.3	104.9	- 0.6
Floor standing speakers	122.1	116.8	+ 4.5	118.8	113.3	+ 4.8
Speakers sold separately	110.5	110.2	+ 0.3	110.3	105.5	+ 4.5

Source: Bureau of Labor Statistics

FOREIGN TRADE

Imports

According to the Bureau of Industrial Economics, 1983 Industrial Outlook, imports of consumer electronics have grown at a compound annual rate of 12.9% in current dollars over the last 10 years. This same source indicates that nearly 85% of all consumer electronics imports to the U.S. come from far eastern countries.

A significant amount of consumer electronics imports enter the U.S. in an unassembled format. These products are then assembled in plants either in the U.S. or Mexico and are then sold. The U.S. Department of Commerce puts imports of this kind from Mexico at $350 million in 1982. This figure is expected by many analysts to grow significantly as the lower labor costs make this much more profitable for foreign producers.

FOREIGN TRADE

Imports

The U.S. Department of Commerce reports that in 1982 imports of reported categories of consumer electronics fell 4.7% in 1982 to $6.8 billion. The largest category, miscellaneous home entertainment equipment, was responsible for over one-third of these imports in that year. Only two categories of electronic equipment reported gains in imports in 1982 over 1981, the telephone equipment group and the audio/video cassette recorder group, up 13.3% and 17.3% respectively.

Industry analysts expect imports to jump dramatically in 1983 as the U.S. economy recovers and consumers begin to make long delayed purchases of personal electronic equipment. The U.S. Bureau of Industrial Economics estimates that imports of consumer electronics will rise to about $7.7 billion in 1983 with imports of color televisions accounting for approximately $620 million of the imports.

U.S. Imports of Specified Consumer Electronics Products, 1981, 1982

	Quantity (Thous. of Units)		% Change	Value C.I.F.* (Mil. of $)		% Change
	1982	1981	1982/1981	1982	1981	1982/1981
Reported total	na	na	na	$6,863.3	$7,199.7	- 4.7%
Reported total, specified products	--	--	--	6,588.4	6,875.2	- 4.2
Television receivers, total	6,829.9	na	na	1,462.3	1,565.0	- 6.6
Unassembled & incomplete subassemblies	34.8	na	na	666.1	735.2	- 9.4
Monochrome, fully assembled	4,762.1	5,465.6	- 12.9%	289.3	348.3	- 16.9
Color, fully assembled	2,033.1	1,877.2	+ 8.3	506.9	481.5	+ 5.3
Radios & radio combinations, total	60,060.6	61,534.8	- 2.4	1,997.7	2,124.7	- 6.0
Radio-TV-phonograph combos.	0.2	--	na	--	--	--
AM/AM-FM automobile radios	3,643.7	3,580.5	+ 1.8	171.8	147.7	+ 16.3
AM/AM-FM radios with clocks or timers	8,375.2	9,939.8	- 15.7	118.7	115.4	+ 2.9
AM/AM-FM radios without clocks or timers	2,798.9	3,145.2	- 11.0	195.7	240.3	- 18.6
AM/AM-FM radios, nspf	22,362.0	20,941.0	+ 6.8	249.4	221.7	+ 12.5
Radio-tape recorder combos.	10,587.6	11,487.4	- 7.8	562.4	632.8	- 11.1
Radio-tape player combinations	10,448.0	10,452.0	--	541.9	585.8	- 7.5
Radio-phonograph-tape recorder combinations	1,498.2	1,729.3	- 13.4	128.8	167.5	- 23.1
Radio-phonograph-tape player combinations	302.4	199.5	+ 51.6	27.5	11.5	+139.1
Radio-phonograph combinations	44.3	60.1	- 26.3	1.5	2.0	- 25.0
Miscellaneous home entertainment equipment, total	na	na	na	2,382.5	2,531.7	- 5.9
Record players, phonographs, record changers & turntables	3,780.1	6,161.3	- 38.6	152.0	215.5	- 29.5

(continued)

BEST AVAILABLE COPY

FOREIGN TRADE

Imports

U.S. Imports of Specified Consumer Electronics Products, 1981, 1982
(continued)

	Quantity (Thous. of Units)		% Change	Value C.I.F.* (Mil. of $)		% Change
	1982	1981	1982/1981	1982	1981	1982/1981
Video tape players	75.8	116.4	- 34.9	$ 35.1	$ 50.5	- 30.5%
Video tape recorders, total	2,494.3	2,020.6	+ 23.4	1,072.6	1,034.4	+ 3.7
Color	2,491.6	2,010.2	+ 23.9	1,069.6	1,027.8	+ 4.1
All others	2.7	10.4	- 74.0	3.0	6.6	- 54.5
Audio tape players	6,353.1	4,668.9	+ 36.1	192.4	168.0	+ 14.5
Tape recorders, exc. office type	9,927.9	11,339.7	- 12.5	456.1	529.2	- 13.8
Tape recorder & tape player combos., exc. radio & TV receivers	na	na	na	74.4	41.8	+ 78.0
Loud speakers	69,536.4	83,744.3	- 17.0	248.1	285.9	- 13.2
Audio frequency elec. amplifiers	5,615.6	4,933.1	+ 13.8	151.8	156.1	- 2.8
Headphones, earphones & combos. of electric sound amplifier sets	na	na	na	46.6	50.3	- 7.4
Audio/video cassettes & records, total	na	na	na	390.0	332.6	+ 17.3
Magnetic audio recording cassettes, not recorded	221,950.9	187,935.3	+ 18.1	107.1	98.8	+ 8.4
Magnetic audio recording cartridges, not recorded	757.9	1,765.7	- 57.1	0.8	1.4	- 42.9
Magnetic audio recording media, exc. cassettes & cartridges, nspf, not recorded	na	na	na	35.8	32.0	+ 11.9
Magnetic video recording cassettes, not recorded	19,198.0	17,670.5	+ 8.6	132.8	120.2	+ 10.5
Magnetic video recording cartridges, not recorded	40.4	33.3	+ 21.3	0.4	0.2	+100.0
Magnetic video recording media, exc. cassettes & cartridges, nspf, not recorded	na	na	na	58.9	27.8	+111.9
Phonograph records, stereophonic or quadraphonic, 33 1/3 rpm	19,716.1	16,000.3	+ 23.2	45.7	38.5	+ 18.7
Phonograph records, nspf	4,400.0	7,279.2	- 39.6	8.5	13.7	- 38.0
Home protection, total	6,323.6	6,618.5	- 4.5	48.1	49.5	- 2.8
Smoke detectors	3,683.5	4,290.5	- 14.1	24.4	28.9	- 15.4
Burglar & fire alarms	2,640.1	2,328.0	+ 13.4	23.7	20.6	+ 15.1

(continued)

FOREIGN TRADE

Imports

U.S. Imports of Specified Consumer Electronics Products, 1981, 1982
(continued)

	Quantity (Thous. of Units)		% Change	Value C.I.F.* (Mil. of $)		% Change
	1982	1981	1982/1981	1982	1981	1982/1981
Telephone equipment, total	na	na	na	$307.8	$271.7	+ 13.3%
Telephone instruments	5,471.1	2,715.2	+101.5%	142.8	138.0	+ 3.5
Telephone apparatus & parts thereof, nspf	na	na	na	165.0	133.7	+ 23.4

na = not available
nspf = not specially provided for

* The C.I.F. value is based upon the purchase price and includes all freight, insurance, and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports,
FT 135, December 1981, 1982

Exports

The Bureau of Industrial Economics reports that in the period 1972 - 1981, U.S. exports of consumer electronics have grown at a compound annual rate of 18.3%. However, in 1982, they declined 22% from the previous years level primarily due to the worldwide recession and price competition and product innovation from Far East manufacturers.

The largest drop in exports between 1981 and 1982 was registered by the television receiver segment of the personal electronics industry. The value of TV sets exported by the United States fell by nearly half in 1982 to $220 million. Despite the huge decline in the value of its exports on a unit basis, TVs remained the largest category of exports reported on. Only two categories of electronic equipment registered gains in 1982 vs. 1981, home protection equipment and magnetic recording media, up 7.5% and 3.0% respectively.

Analysts site competition from the Far East when predicting that exports of consumer electronic products will be held at 9.8% in 1983. However, expanding technology is expected to boost exports significantly over the next several years as other consuming countries slowly climb out of the recession which has gripped the world economy since 1981.

FOREIGN TRADE

Exports

U.S. Exports of Specified Consumer Electronics Products, 1981, 1982

	Quantity (Thous. of Units) 1982	Quantity (Thous. of Units) 1981	% Change 1982/1981	Value F.A.S.* (Mil. of $) 1982	Value F.A.S.* (Mil. of $) 1981	% Change 1982/1981
Reported total, specified products	--	--	--	$ 1,029.9	$1,335.2	- 22.9%
Television receivers, total	2,361.3	4,186.8	- 43.6%	220.5	389.8	- 43.4
Unfinished or unassembled	1,841.2	3,280.5	- 43.9	64.6	123.8	- 47.8
Monochrome, fully assembled	137.9	260.4	- 47.0	16.6	29.7	- 44.1
Color, fully assembled	382.2	646.4	- 40.9	139.3	236.3	- 41.0
Radios & radio combinations, total	1,261.5	1,439.1	- 12.3	108.4	121.6	- 10.9
Radio-TV-phonograph combos.	8.2	9.5	- 13.7	3.5	4.4	- 20.5
AM/AM-FM automobile radios	758.5	774.7	- 2.1	71.6	72.6	- 1.4
AM/AM-FM radios, except automobile	412.7	559.6	- 26.3	11.7	19.0	- 38.4
Radio-phono-tape recorder combos., exc. with TV	82.1	95.3	- 13.9	21.6	25.6	- 15.6
Miscellaneous home entertainment equipment, total	na	na	na	236.4	276.3	- 14.4
Record players, phonographs, record changers & turntables	64.0	99.2	- 35.5	16.9	26.4	- 36.0
Video tape players	1.8	3.5	- 48.6	7.1	5.8	+ 22.4
Video tape recorders, total	19.7	13.2	+ 49.2	77.5	85.2	- 9.0
Color	14.1	9.5	+ 48.4	66.8	76.1	- 12.2
All others	5.6	3.7	+ 51.4	10.7	9.1	+ 17.6
Audio tape players	109.1	149.8	- 27.2	18.2	18.4	- 1.1
Headphones, earphones & combos. of sound amplifiers sets	na	na	na	23.8	26.0	- 8.5
Loudspeakers	4,269.9	4,923.0	- 13.3	191.9	114.5	+ 67.6
Audio/video cassettes & records, total	na	na	na	444.7	431.8	+ 3.0
Magnetic audio tape, not recorded	70,711.4	157,785.1	- 55.2	62.5	87.4	- 28.5
Magnetic viedo tape, not recorded	6,842.7	2,654.5	+157.8	246.0	163.7	+ 50.3
Magnetic recording media, nspf	--	--	na	51.3	64.0	- 19.8
Magnetic video tape recordings	32,939.3	31,423.6	+ 4.8	26.7	28.9	- 7.6
Phonograph records, stereo, or quadrophonic, 33 1/3 rpm	10,780.7	17,093.6	- 36.9	32.3	50.9	- 36.5
Phonograph records, nspf	8,426.7	11,876.6	- 29.0	25.9	36.9	- 29.8

(continued)

FOREIGN TRADE

Exports

U.S. Exports of Selected Consumer Electronics Products, 1981, 1982
(continued)

	Quantity (Thous. of Units) 1982	Quantity (Thous. of Units) 1981	% Change 1982/1981	Value F.A.S.* (Mil. $) 1982	Value F.A.S.* (Mil. $) 1981	% Change 1981/1981
Home protection, total	na	na	na	$95.6	$88.9	+ 7.5%
Burglar alarms	160.7	186.7	- 13.9%	32.8	31.6	+ 3.8
Smoke detectors	572.9	693.7	- 17.4	14.2	15.3	- 7.2
Fire alarms, exc. smoke detectors	--	--	na	48.6	42.0	+ 15.7
Telephone instruments	305.6	406.0	- 24.7	24.3	26.8	- 9.3

nspf = not specially provided for.
na = not available

*F.A.S. value is the value at the U.S. port of export, based on the transaction price including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. The value, as defined, excludes the cost of loading the merchandise aboard the exporting carrier and also excludes freight, insurance, and any other charges or transportation costs beyond the port of exportation.

Source: U.S. Bureau of the Census,
U.S. General Exports FT 410,
December 1981 and 1982.

THE SIZE OF THE POTENTIAL MARKET

The Female Population of the U.S., 1983 & Projections to 2000*

	Number (Thous.) 1983	Number (Thous.) 1990	Number (Thous.) 2000	% Change 2000/1983	Percent Distribution 1983	Percent Distribution 1990	Percent Distribution 2000
FEMALE							
Total, all ages	120,216	128,234	137,611	+ 14.5%	100.0%	100.0%	100.0%
Under 16 years	26,923	28,240	29,175	+ 8.4	22.4	22.0	21.2
16 years & over	93,293	99,994	108,436	+ 16.2	77.6	78.0	78.8
16 - 19	7,654	6,704	7,373	- 3.7	6.4	5.2	5.4
20 - 34	30,925	30,774	26,442	- 14.5	25.7	24.0	19.2
35 - 54	26,458	32,170	40,810	+ 54.2	22.0	25.1	29.6
55 & over	28,256	30,346	33,811	+ 19.7	23.5	23.7	24.6
Median age (years)	32.2	34.3	37.7	+ 17.1			

(continued)

THE SIZE OF THE POTENTIAL MARKET

The Male Population of the U.S., 1983 & Projections to 2000*

	Number (Thous.)			% Change	Percent Distribution		
	1983	1990	2000	2000/1983	1983	1990	2000
MALE							
Total, all ages	113,977	121,498	130,379	+ 14.4%	100.0%	100.0%	100.0%
Under 16 years	28,180	29,591	30,592	+ 8.6	24.7	24.4	23.5
16 years & over	85,797	91,907	99,787	+ 16.3	75.3	75.6	76.5
16 - 19	7,958	6,999	7,709	- 3.1	7.0	5.8	5.9
20 - 34	31,162	31,301	27,071	- 13.1	27.3	25.8	20.8
35 - 54	25,302	31,066	40,002	+ 58.1	22.2	25.5	30.7
55 & over	21,376	22,541	25,005	+ 17.0	18.8	18.5	19.1
Median age (years)	29.6	31.8	34.9	+ 17.9			

Total Population of the U.S., 1983 & Projections to 2000*

	Number (Thous.)			% Change	Percent Distribution		
	1983	1990	2000	2000/1983	1983	1990	2000
TOTAL, MALE & FEMALE							
Total, all ages	234,193	249,731	267,990	+ 14.4%	100.0%	100.0%	100.0%
Under 16 years	55,103	57,830	59,768	+ 8.5	23.5	23.2	22.3
16 years & over	179,090	191,901	208,222	+ 16.3	76.5	76.8	77.7
16 - 19	15,612	13,703	15,083	- 3.4	6.7	5.5	5.6
20 - 34	62,087	62,073	53,513	- 13.8	26.5	24.8	20.0
35 - 54	51,759	63,236	80,812	+ 56.1	22.1	25.3	30.2
55 & over	49,632	52,889	58,814	+ 18.5	21.2	21.2	21.9
Median age (years)	30.9	33.0	36.3	+ 17.5			

*Middle series (out of 3) projections based on varying assumptions on fertility, mortality and emigration.

Source: U.S. Bureau of the Census,
Series P-25, No. 922
(October 1982)

While some consumer electronics products, such as TVs and radios, have already reached saturation levels in U.S. households and depend mainly on replacement sales for growth, many other products have barely entered the home market. For example, only an estimated 5% of households own either a video cassette recorder or a telephone. According to an EIA survey, 31% of U.S. households own component stereo systems. Thus, there is room for significant growth for these products among the more than 84 million households in the U.S. currently.

Of the 83.5 million households in the U.S. in 1981, almost a quarter (23.1%) were headed by someone between the ages of 25 and 34 and 18.3% had a household head aged 35-44 years old. In 1981, 27.6% of all households contained at least four persons.

THE SIZE OF THE POTENTIAL MARKET

Number & Median Income of U.S. Households
By Age of Householder & Size of Household, 1981, 1981

	Number of Households (Thous. Units)		% Change	Median Income		% Change
	1981	1980	1981/1980	1981	1980	1981/1980
Total	83,527	82,368	+ 1.4%	$19,074	$17,710	+ 7.7%
Age of Householder						
15-24 years	6,110	6,443	- 5.2	13,242	12,711	+ 4.2
25-34 years	19,327	19,153	+ 0.9	20,513	19,337	+ 6.1
35-44 years	15,326	14,462	+ 6.0	25,384	23,627	+ 7.4
45-54 years	12,505	12,694	- 1.5	27,044	25,121	+ 7.7
55-64 years	12,947	12,704	+ 1.9	21,041	19,547	+ 7.6
65 years & older	17,312	16,912	+ 2.4	9,903	8,781	+ 12.8
Size of Household						
1 person	19,354	18,936	+ 2.2	9,192	8,162	+ 12.6
2 person	26,486	25,787	+ 2.7	18,909	17,506	+ 8.0
3 person	14,617	14,569	+ 0.3	23,601	21,737	+ 8.6
4 person	12,868	12,768	+ 0.8	26,324	24,410	+ 7.8
5 person	6,103	6,117	- 0.2	26,131	24,857	+ 5.1
6 person	2,480	2,549	- 2.7	26,945	24,415	+ 10.4
7 or more persons	1,619	1,643	- 1.5	24,558	23,332	+ 5.3

Source: U.S. Bureau of the Census,
Current Population Reports,
Money Income of Households, Families & Persons in the U.S.: 1981, March 1983

RETAIL SALES BY PRODUCT

The consumer electronics market encompasses a great variety of products, including computers and calculators, home entertainment systems, home security systems and products, communications products and more. In total, industry analysts place the value at retail of this market at about $17 billion in 1982.

Retail sales figures on specific products that make up this fast-growing market are not available in government sources, but must be gleaned from a variety of trade sources.

The trade publication Discount Merchandiser reports the following breakdown on retail sales of consumer electronics, reported by this source at about $13.5 billion in 1981.

Distribution of Retail Sales of Consumer Electronics, 1981
By Type of Outlet

Type of Store	1981 Volume (Thous. $)	% of Sales in Own Stores	% to Total
TV, radio stores	6,575,000	85.7%	48.8%
Household appliance stores	1,260,000	18.9	9.4
Discount stores	1,242,000	2.6	9.2
Department stores	1,062,000	2.4	7.9
Misc. general merchandise stores	826,000	6.1	6.1
Catalog showrooms	721,000	9.4	5.4
Furniture stores	672,000	3.6	5.0
Auto & home supply stores	511,000	2.6	3.8
Drug stores	266,000	0.8	2.0
Mail order	186,000	3.7	1.4
Home centers	153,000	1.9	1.0
Total	$13,474,000		100.0%

Source: Discount Merchandise (May 1982)

Television Receivers

After a decade-long struggle in a seemingly mature marketplace, where 98% of all households owned at least one television set, sales of TVs, especially color sets, have shown marked increases since 1980. In 1982, there were a total of 17.1 million sets sold in the U.S. with 11.4 million of these being color with the remainder coming from the black & white category. Over the first 21 weeks of 1983, television sales were up another 7.0% from their comparable 1982 figures on a unit basis.

Analysts see this recent growth coming from two primary sources. The first major cause for the increased growth rate is due to the recession prevailing since 1980. Consumers have become more conservative with their disposable income and have turned to their own homes as their main source of entertainment. At the same time, advances in technology have made it more economically feasible to bring a vast variety of entertainment and information sources into the home. Consequently, consumers are upgrading their televisions, the centerpiece of the technology, so as to more easily accommodate this increase.

Projection TV, a relatively new entrant in the field, has faired well, registering sales of 117,000 units in 1982.

Analysts believe that this climb in the television industry will continue in the future. Some industry insiders see sales of color televisions reaching 12 to 14 million units by 1983, with a more optimistic group pointing to the possibility of 15 million units in sales by that year.

RETAIL SALES BY PRODUCT

Television Receivers

Although recent surveys indicate that specialty stores control approximately one-third of the television market (relatively the same percentage as the 1977 Census of Retail Trade indicates) there has been a major shift in sales within this group due to the highly competitive nature of the television industry. Consumers are tending to buy less in traditional TV/appliance stores and are now purchasing more in specialized audio/video stores. Overall, department stores have held steady in their share of the market, consistently representing about 20% (this includes discount department store operations.)

Video Cassette Recorders

Since their introduction in 1975, the home video cassette recorder has enjoyed ready acceptance, with sales growth coming in every year. Presently, with only 5% of all U.S. households owning VCRs, industry analysts see potential growth for the $5 billion category for many years to come.

Portable VCRs are becoming extremely popular with the home-movie making market, skyrocketing this new category to nearly 40% of industry sales according to some industry analysts.

Video Disc Systems

After a much ballyhooed introduction in 1980, video disc systems are turning out to be more difficult to sell than marketers had predicted. Sources estimate that only about 350,000 video disc players and possibly 4 million video discs were sold in 1982.

Manufacturers now believe that it will take until at least 1985 for video disc systems to be readily accepted by consumers. With three mutually-incompatable systems now on the market, retailers must first overcome the great deal of confusion which presently exists within consumers' minds as to which system to purchase.

Home Protection

After undergoing a rapid period of growth in the late 1970's, the home protection industry has more recently experienced a major shake-out, where only several of the most profitable companies have remained in the industry.

It is estimated that in 1981, consumers spent more than $230 million on home security systems with nearly half of this total coming in sales of smoke detectors.

Sales of Home Security Devices, 1979-1981
(Thousands of Dollars)

	1981	1980	1979	1981/1980	1981/1979
Home security, total	$235,339	$205,242	$209,230	+ 14.7%	+ 12.5%
Smoke detectors	116,272	94,050	94,200	+ 23.6	+ 23.4
Fire extinguishers	32,970	32,900	35,000	+ 0.2	- 5.8
Intrusion systems	38,367	35,028	42,750	+ 9.5	- 10.3
Smoke/fire/intrusion systems	47,730	43,264	37,280	+ 10.3	+ 28.0

Source: Merchandising Magazine

RETAIL SALES BY PRODUCT

Telephones

At the present time 96% of all households have at least one phone representing a total of about 142 million phones.

Although owning your own telephone has been legal for years and has received heavy publicity recently, a meagre 5% of all U.S. households have exercised their option to purchase. Industry analysts report that despite the obvious savings of buying over leasing, consumers are deterred by the prospects of having to care for future repairs, as well as the thought of owning a phone without all the latest features.

The sales of home telephones reached a total of $600 million in 1982. The outlook for growth is bright. According to General Electric Co., a new entrant in the home phone market, sales will climb to over 20 million units by 1987, from the 5 million recorded in 1982.

Component Audio

The Electronics Industry Association reports that in the period 1972-1981 shipments of audio components (receivers, turntables, loudspeakers, etc.) have grown at an annual rate of 10%-20%. In 1982, analysts estimate that total retail sales of the category were somewhere in the area of $2 billion.

At the present time, retailers of stereos are undergoing a major shake-out with most survivors reporting that they are diversifying into sales of home entertainment equipment rather than relying on traditional audio for their livelihood.

It is widely believed that the audio business at the present time is highly characterized by replacement sales. A majority of sales of audio equipment, particularly component audio, are to audiophiles who are attempting to bring their present systems up to "state of the art" status.

RETAIL SALES BY STORE TYPE

Radio & Television Stores

Radio and TV stores were largely small operations in 1980, where over 80% of establishments had fewer than 10 paid employees. Operations with more than 50 workers were the rarity in 1980 according to the U.S. Census Bureau which reported that only 0.4% of all establishments fit into this category. Nearly 6 out of 10 workers in radio and TV stores work in outlets with less than 10 employees while 5.5% worked in outlets with more than 50 employees.

Radio & Television Stores by Employee Size, 1980

	Establishments		Employees		Annual Payroll	
	Number	% of total	Number	% of total	Mil. $	% of total
Radio & TV stores, total	14,349	100.0%	87,507	100.0%	$912.0	100.0%
By employment size:						
Less than 4 employees	7,745	54.0	19,693	22.5	201.5	22.1
5 to 9 employees	4,475	31.2	31,590	36.1	308.2	33.8
10 to 19 employees	1,768	12.3	22,493	25.7	238.0	26.1
20 to 49 employees	304	2.2	8,901	10.2	107.0	11.7
50 or more employees	57	0.4	4,830	5.5	57.3	6.3

Source: U.S. Bureau of the Census,
County Business Patterns, 1980

RETAIL SALES BY STORE TYPE

Radio & Television Stores

Sales in radio and TV stores climbed only slightly between 1981 and 1982 rising only 1.6% to a total of $8.5 billion in that year.

Number of Stores & Sales of Radio & TV Stores, 1979 - 1982

	1982	1981	1980	1979	Percent Change 1982/1981	Percent Change 1982/1979
Total sales (mil. $)	$8,451	$8,317	$ 7,326	$ 6,604	+ 1.6%	+ 28.0%
No. of stores	na	na	14,349	14,999	na	na

Source: U.S. Bureau of the Census,
Revised Monthly Retail Sales BR-13-82S,
County Business Patterns, 1979, 1980

Department Stores

According to the National Retail Merchants Association, the typical department store reporting sales of radio and audio equipment and supplies indicated that sales gained 10.8% in 1981 compared with 1980. Sales of television sets rose an even larger 14.1% during the same period.

Merchandising & Operating Results in Department Stores
With Total Annual Sales Over $1 Million

	Radio & Audio Equipment & Supplies	Television Receivers
Net sales, % change from last year	+ 10.8%	+ 14.1%
Sales, % of merchandise division	14.5	34.2
Sales, % to total store sales	0.8	1.8
$ sales per square foot of selling space	$ 123.4	$ 173.2
Cumulative markon, %	31.8	23.8
Gross margin, % of sales including cash discounts	25.7	17.4
Markdowns, retail, % of sales	8.1	6.8
Returns, % of sales	11.7	10.2
Number of stock turns	2.7	3.7
Salespeople's salaries, % of sales	9.8	8.5
Sales promotions, % of sales	4.2	3.3

Source: National Retail Merchants Association
"Merchandising & Operating Results,"
1982 Edition.

RETAIL ADVERTISING

Christmas is the main time of the year in which consumers make purchases of electronics items. November and December combined account for about one third of the years' sales.

Monthly Distribution of Newspaper Ad Linage, 1981

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Radio sets	100.0%	2.8%	4.8%	6.0%	6.1%	11.0%	8.3%	5.9%	6.8%	6.0%	7.3%	14.2%	20.8%
Stereo sets	100.0	5.0	7.2	7.3	6.1	8.2	7.5	6.4	8.2	8.0	9.1	12.4	14.6
Television	100.0	7.3	8.0	7.6	7.3	8.1	6.9	6.9	8.6	8.3	8.9	10.8	11.3

Source: Newspaper Advertising Bureau,
1983 Newspaper Advertising Planbook.

CONSUMER PRICE TRENDS

Throughout the years, the consumer electronics industry has been able to produce better quality and more sophisticated products without price increases due to a rapidly advancing technology.

Another factor which tends to keep consumer electronics prices relatively low is the tendency of the industry to seek out the lowest labor rate countries for its manufacturing needs because of the extremely competitive nature of the market. Thus, the industry's production has moved during the last twenty years from the U.S. to such low cost areas as Taiwan, Hong Kong and Mexico.

The CPI for television and sound equipment (tape recorders and radios) was stable between 1981 and 1982 at 108.5. Meanwhile the index for televisions alone actually registered a decrease during the period, declining by 1.3% to 103.9.

Consumer Price Indexes For Specified Consumer Electronics, 1980 - 1982
(December 1977=100, unless otherwise specified)

	1982	1981	1980	% Change 1982/1981	% Change 1982/1980
Appliances, incl. TV & sound equipment*	151.0	146.2	140.5	+ 3.3%	+ 7.5%
Television & sound equipment	108.5	108.5	106.2	--	+ 2.2
Television	103.9	105.3	104.4	- 1.3	- 0.5
Sound equipment	113.7	113.7	108.9	--	+ 4.4

* Base: 1967=100

Source: U.S. Bureau of Labor Statistics.

CONSUMER BUYING HABITS

In September 1982, SEVENTEEN Magazine conducted a mail survey among several of SEVENTEEN'S consumer panels, representing a cross section of the teenage market. A total of 1,505 returns were received from teenagers attending high school and college.

The purpose of the 1983 Back-to-School survey was to determine the purchasing behavior of teenage girls. Each item was measured in terms of the number of teenage girls currently in school purchasing the item, the number of items purchased and the total expenditures for the item.

Purchases of Selected Consumer Electronics Products by Teenage Students

	Number Purchasing (Add 000's)	Number Purchased (Add 000's)	Total Expenditures (Add 000's)
Pocket calculator	1,587	1,627	$ 31,889
Radio			
Clock	679	687	23,006
Portable/transistor	226	249	13,953
Table model	174	174	8,522
Compact system (Receiver AM/FM, turntable & speakers all purchased together but not in one cabinet)	421	421	126,879
Cassette recorder	675	679	51,364
Cartridge/8-track recorder	153	226	7,341
Portable television	319	334	52,573

Source: SEVENTEEN MAGAZINE
Back-To-School 1983.

Video Cassette Recorders

During January and February, 1983 Merchandising Magazine conducted interviews nationwide among shoppers in major shopping districts in order to determine their ownership and attitudes towards various consumer electronics products.

Merchandising discovered that the price of VCRs weighted heavily on consumers of the product with more than 40% stating that it was their prime consideration when purchasing the product. In addition, over 37% of the respondents who did not own a video cassette recorder felt that the price was just too high for them to be able to afford one at this time.

One out of four respondents stated that they either had or would buy a VCR at a video specialty store while discount operations were the second most frequently mentioned outlet for this kind of purchase.

Video Cassette Recorders

Place /Intended Place of Purchase of VCR's

	Respondents
Total respondents	759
Percent of total:	100.0%
Video specialty stores	25.4
Discounters	18.3
Appliance/TV stores	16.2
Audio/HiFi stores	13.4
Mass merchandisers	12.0
Department stores	8.8
Catalog showroom	5.4
Other	3.4

NOTE: Adds to more than 100% due to multiple responses.

Major Factors in the Purchase of Video Cassette Recorders*

Factors	Main Factor	Second Factor	Third Factor
Price	41.8%	35.0%	20.2%
Features	38.8	37.3	21.9
Brand name	18.0	23.9	53.3
Other factors	1.4	0.3	0.9
None indicated	0.0	3.5	3.7

* Base equals 649 respondents.

Major Factors for Non-Purchase of Video Cassette Recorders

	Respondents
Total respondents	685
Percent of total:	100.0%
Not interested	55.8
Too expensive	37.1
Not familiar with product	8.6
Other reasons	2.2

NOTE: Adds to more than 100.0% due to multiple responses.

Source: Merchandising Magazine, May 1983

CONSUMER BUYING HABITS

Video Cassette Recorders

In order to measure the publics readiness to purchase specified consumer products Chain Store Age in association with Leo J. Shapiro & Associates performed the CSA Second Consumer Buying Intentions Study. A nationally projectable sample of 2,717 households supplemented by interviews with another 6,200 households in 45 metropolitan areas formed the base for the study.

The results indicate that in 1982, 1.7% of all households had purchased a VCR while another 2.5% intended to make a purchase in 1983. Specialty stores were the most commonly mentioned outlet type for these purchases.

Place of Purchase of Video Cassette Recorders
(Percent of Total Respondents)

	1982	1983*
Total respondents	100.0%	100.0%
Specialty stores	39.1	43.9
Mass merchandisers	15.4	14.8
Discounters, incl. K mart	11.7	7.7
Department stores	9.8	8.6
Catalog showrooms	4.2	5.6
Other	19.8	19.4

* Outlet type mentioned by those stating they intended to purchase a VCR in 1983.

Source: Chain Store Age,
December 1982.

Telephones

Nearly 7 out of 10 interviewed in Merchandising Magazine's Eleventh Annual Consumer Survey stated that their main reason for purchasing a telephone was in order to save money on rentals. In addition, more than 40% stated that they had bought or would buy their phone from a retailer other than the telephone company and 46.7% said they had or would install their phones themselves.

The median price of those stating a price paid or expected to pay in the Merchandising survey was $47.44.

Price Paid/Expected to Pay for a Telephone

	Respondents
Total respondents	1,580
Percent of total:	100.0%
Under $20.00	10.4
$20.00 - $39.99	30.6
$40.00 - $69.99	36.2
$70.00 - $99.99	15.5
$100.00 - $149.99	8.3
$150.00 & over	1.8
Median price	$ 47.44

Telephones

Place/Intended Place of Purchase of Telephones

	Respondents
Total respondents	1,535
Percent of total:	100.0%
Retail store other than the phone company	42.4
Phone company store	29.8
Store owned by the phone company	27.0
Received as a gift	10.6
Other	2.0

NOTE: Totals add to more than 100.0% due to multiple responses

Number of Phones Owned in Household Presently

	Respondents
Total respondents	1,927
Percent of total:	100.0%
None	61.4
One or more	38.6
One	18.2
Two	11.7
Three	5.3
Four	2.0
Five	0.9
Six or more	0.5

Reasons for Buying a Telephone

	Respondents
Total respondents	1,510
Percent of total:	100.0%
To save money	68.1
Wanted features	22.8
For style/design	19.9
Other reasons	4.5

NOTE: Totals add to more than 100.0% due to multiple responses.

Source of preceding tables: Merchandising Magazine, May, 1983.

Personal Stereos

There is probably no product which epitomizes the consumer electronics boom more than the personal stereo. Retailers report that as the price of these units has declined, their popularity has continued its long sustained growth. Chain Store Age magazine (December 1982) reports that in 1982 only 16.9% of those shopping for one of these units had no idea of what the unit should cost. Of those who cited a cost, nearly 60% stated that they expected to pay less than $100. Chain Store Age also reports that more than four out of ten potential purchasers responded that price was the reason they would choose a particular store to shop in, with 60% who did buy, doing so in general merchandise chains.

The bulk of the demand for personal stereos is in the East and West where Chain Store Age reports that more than half of all unit sales took place in 1982.

Region of Purchase of Personal Stereos, 1982

	Percent of Purchasers
Total purchasers	100.0%
Region of purchaser:	
New England	7.8
Middle Atlantic	24.4
East North Central	17.9
West North Central	3.3
South Atlantic	7.4
East South Central	5.4
West North Central	4.8
Mountain	12.3
Pacific	16.7

Source: Chain Store Age/ Leo Shapiro & Associates, December 1982.

FAIRCHILD FACT FILES AVAILABLE FOR 1983

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1982 Edition available now -- 1983 Edition will be available in January, 1984)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1982 Edition available now -- 1983 Edition will be available in December, 1983)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and findings in a comprehensive consumer survey conducted by Footwear News Magazine. ($15.00) (1982 Edition available now -- 1983 Edition will be available in July, 1983)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month. (September)

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (November)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (August)

SOFT SURFACE FLOOR COVERINGS: Trends in the number of manufacturers, on production and value of shipments of major types of soft surface floor coverings, and foreign trade, are covered in this report. Retailing information includes departmental merchandising and operating results, estimated volume by type of outlet and trends in consumer buying.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (Special Fact File for 1982, $15.00)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (October)

TOILETRIES, BEAUTY AIDS, COSMETICS AND FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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C3400-1

Footwear
(Men's, Women's and Children's)

Including Unpublished Data From The Footwear News Magazine Consumer Buying Pattern Surveys

FAIRCHILD FACT FILE

Prepared by

Market Research Division

Audrey S. Balchen, Director

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TABLE OF CONTENTS

Page

MARKET TRENDS.. 1
GENERAL STATISTICS ON THE INDUSTRY.......................... 1
  EMPLOYMENT & EARNINGS.................................. 5
  INDUSTRY CONCENTRATION.................................. 6
  LOCATION OF THE INDUSTRY.................................. 8
LEADING MANUFACTURERS AND OPERATING RESULTS.................. 9
PRODUCTION..11
SHIPMENTS..16
PRODUCER (FACTORY) PRICES..................................20
FOREIGN TRADE--IMPORTS..................................21
FOREIGN TRADE--EXPORTS..................................25
MARKET SUPPLY..25
RETAIL TRADE..27
  SIZE OF THE MARKET..................................27
  CONSUMER EXPENDITURES..................................28
  RETAIL SALES BY OUTLET TYPE..................................28
  SALES BY AREA..29
  SHOE STORES..29
  DEPARTMENT STORES..................................30
  APPAREL SPECIALTY STORES..................................31
ATHLETIC FOOTWEAR MARKET..................................32
BUYING HABITS--MEN'S & WOMEN'S FOOTWEAR......................34
BUYING HABITS--TEEN'S FOOTWEAR..................................40

SCHEDULE OF ADDITIONAL FACT FILES..................................44

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E. B. Gold, Manager
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MEN'S, WOMEN'S & CHILDREN'S FOOTWEAR

Market Trends

Deteriorating market conditions which were noted in 1981 continued at an accelerated rate in 1982. As economic conditions worsened, consumers cutback on their expenditures. U.S. production of footwear declined by 15%; imports on the other hand, soared 13%, taking a share of almost 60% of the total U.S. market supply in 1982 compared with 53% in 1981.

A number of smaller U.S. footwear plants were closed in 1982. Employment declined almost 10%, with the number of employees averaging 14,000 fewer than in 1981.

Nevertheless, industry analysts are hopeful about 1983 prospects for the nonrubber segment. The shrunken size of the U.S. industry is viewed as a plus. The survivors are more efficient and can operate with lower unit costs at the manufacturing level. They are therefore better able to cope with import competition.

Footwear firms, particularly the larger, integrated operations, fared better in 1982 in terms of net operating income than overall U.S. industry. Although the smaller firms are far less profitable, the general outlook for the footwear industry was considered healthy by the International Trade Commission, and this was a consideration in the decision in May to revoke countervailing duties on shoes imported from Brazil, Spain and India.

The outlook for the rubber/plastics footwear industry in the U.S., however, is far from favorable. This industry has been hurt not only by imports but by a drop in consumer demand.

The trend among retailers has been to delay placing orders, buying as close to the season as possible, particularly among department stores and chain shoe stores. Independents are more inclined to buy early to avoid being caught without needed styles available from competitors.

AT THE MANUFACTURER LEVEL

GENERAL STATISTICS ON THE INDUSTRY

The U.S. Bureau of the Census conducts a complete census of U.S. manufactures every five years--the latest covering the year 1977. Between censuses the Bureau conducts annual surveys among a representative sample of manufacturers which are the basis for estimates on key measures of manufacturing activity for industry groups and important industries. These estimates provide a continuous series of basic industry statistics.

According to the census of manufactures, there were 811 manufacturing establishments in the nonrubber footwear industry with value of all products shipped, both primary and secondary, as well as miscellaneous receipts, totaling about $3.9 billion in 1977. For 1981, this value was estimated at $5.5 billion, representing a gain of 41.2% on a current dollar basis.

GENERAL STATISTICS ON THE INDUSTRY

According to the U.S. Industrial Outlook 1983 (U.S. Bureau of Industrial Economics), footwear industry shipments and miscellaneous receipts declined at a compound annual rate of 4.1% in the period 1972-1982 when measured on a constant (1972) dollar basis. A decline of 2.8% in the same measurement was projected for 1983 compared with 1982.

The U.S. Manufacturing Industry by Type of Footwear, 1977, 1980, 1981

	1981	1980	1977	% Change 1981/1980
NONRUBBER FOOTWEAR, TOTAL (SIC 314)				
Number of companies	na	na	541	--
Number of establishments#	na	710	811	--
With 20 or more employees	na	562	603	--
Payroll (mil. $)	$1,314.9	$1,203.7	$1,031.5	+ 9.2%
Value added by manufacture (mil. $)**	2,987.5	2,745.3	2,069.4	+ 8.8
Value of industry shipments (mil. $)***	5,496.3	5,106.9	3,891.7	+ 7.6
Capital expenditures, new (mi. $)	104.1	67.9	37.1	+ 53.3
MEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3143*)				
Number of companies	na	na	115	--
Number of establishments#	na	207	213	--
With 20 or more employees	na	176	180	--
Payroll (mil. $)	$ 518.1	$ 441.6	$ 417.0	+ 17.3%
Value added by manufacture (mil. $)**	1,280.3	1,084.7	871.9	+ 18.0
Value of industry shipments (mil. $)***	2,458.5	2,149.0	1,734.5	+ 14.4
Capital expenditures, new (mil. $)	47.4	22.9	14.5	+107.0
WOMEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3144*)				
Number of companies	na	na	243	--
Number of establishments#	na	248	328	--
With 20 or more employees	na	214	241	--
Payroll (mil. $)	$ 494.7	$ 453.4	$ 388.6	+ 9.1%
Value added by manufacture (mil. $)**	1,086.8	955.1	755.0	+ 13.8
Value of industry shipments (mil. $)***	1,913.8	1,733.5	1,361.2	+ 10.4
Capital expenditures, new (mil. $)	29.4	20.0	9.7	+ 47.0
HOUSE SLIPPERS (SIC 3142*)				
Number of companies	na	na	65	--
Number of establishments#	na	68	78	--
With 20 or more employees	na	48	55	--
All employees (thous.)	8.8	9.2	8.1	- 4.3%
Production workers (thous.)	7.5	7.7	7.0	- 2.6
Payroll (mil. $)	$ 75.9	$ 74.0	$ 54.5	+ 2.6
Value added by manufacture (mil. $)**	149.4	190.9	108.8	- 21.7
Value of industry shipments (mil. $)***	268.2	323.1	201.2	- 17.0
Capital expenditures, new (mil. $)	3.5	2.3	2.3	+ 52.2

(continued)

GENERAL STATISTICS ON THE INDUSTRY

The U. S. Manufacturing Industry by Type of Footwear, 1977, 1980, 1981
(continued)

	1981	1980	1977	% Change 1981/1980
FOOTWEAR, EXCEPT RUBBER, NOT ELSEWHERE CLASSIFIED (SIC 3149*)				
Number of companies	na	na	159	--
Number of establishments#	na	164	192	--
With 20 or more employees	na	119	127	--
All employees (thous.)	23.4	26.6	24.8	- 12.0%
Production workers (thous.)	20.4	23.3	21.8	- 12.4
Payroll (mil. $)	$ 226.2	$ 234.7	$ 171.4	- 3.6
Value added by manufacture (mil. $)**	471.1	514.7	333.7	- 8.5
Value of industry shipments (mil. $)***	855.7	901.3	594.8	- 5.1
Capital expenditures, new (mil. $)	23.8	21.3	10.6	+ 11.7
RUBBER & PLASTICS FOOTWEAR (SIC 302*)				
Number of companies	na	na	67	--
Number of establishments#	na	68	84	--
With 20 or more employees	na	44	50	--
Payroll (mil. $)	$ 147.3	$ 174.3	$ 159.1	- 15.4%
Value added by manufacture (mil. $)**	360.1	307.7	272.3	+ 17.0
Value of industry shipments (mil. $)***	707.3	590.8	517.0	+ 19.7
Capital expenditures, new (mil. $)	14.9	12.5	11.3	+ 19.2
BOOT & SHOE CUT STOCK & FINDINGS (SIC 3131*)				
Number of companies	na	na	174	--
Number of establishments#	na	175	190	--
With 20 or more employees	na	96	96	--
All employees (thous.)	9.8	10.0	8.5	- 2.0
Production workers (thous.)	8.4	8.7	7.4	- 3.4
Payroll (mil. $)	$ 105.5	$ 93.1	$ 65.3	+ 13.3
Value added by manufacture (mil. $)**	219.6	196.3	109.4	+ 11.9
Value of industry shipments (mil. $)***	488.4	431.5	270.6	+ 13.2
Capital expenditures, new (mil. $)	8.4	6.3	3.0	+ 33.3

na = not available

# Each business location is counted as a separate establishment. Figures for 1980 are from the U.S. Bureau of the Census, County Business Patterns.

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) System determined by the principal product manufactured, as shown below. (SIC 314 is a composite of industries in 3142, 3143, 3144)

(footnotes continued)

GENERAL STATISTICS ON THE INDUSTRY

(Footnotes continued)

SIC 3143 comprises establishments primarily engaged in the production of men's dress and casual shoes, boots and work shoes. Footwear produced in this industry is primarily of leather.

SIC 3144 comprises establishments primarily engaged in the production of women's dress and casual shoes, sandals and boots. Footwear produced in this industry is primarily of leather.

SIC 3142 comprises establishments primarily engaged in the production of house slippers of leather or other materials. Slipper socks are included in this industry.

SIC 3149 comprises establishments primarily producing footwear not classified in the above industries or in SIC 3021 (rubber and plastic). Included in SIC 3149 are shoes for infants and babies, children, misses, youths and boys. Also included are all athletic shoes, theatrical shoes, and beach slippers.

SIC 302 comprises establishments primarily engaged in manufacturing all-rubber and plastics footwear, waterproof fabric-upper footwear having rubber or plastic soles vulcanized to the uppers. There are two segments in this industry, (1) protective footwear, such as hunting boots, galoshes and overshoes; and (2) rubber-soled fabric upper footwear, such as athletic footwear, sneakers, sport oxfords and specialties designed for leisure wear.

SIC 3131 comprises establishments primarily engaged in manufacturing leather soles, inner soles, and other boot and shoe cut stock findings. This industry also includes finished wood heels. It does not include manufacturers of shoe findings made of rubber, plastic, or fiber.

**Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

***Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products, as well as miscellaneous receipts for contract work, resales, etc. This value should be clearly distinguished from the total value of footwear made by all producers, including those who make footwear as a secondary product and who are classified in other industries. This total product value is shown in the tables on pages 17 and 18.

Source: U.S. Bureau of the Census
Census of Manufactures, 1977;
Annual Surveys of Manufactures; 1980, 1981.

GENERAL STATISTICS ON THE INDUSTRY

Explanation of other terms used in this Fact File:

Nonrubber footwear: Includes shoes, boots and slippers made by "conventional" processes, such as cemented, welt, slip-lasted, etc., and shoes with rubber sole vulcanized to leather uppers. (Footwear covered in SIC 314)

Rubber/plastic footwear: Footwear with rubber or plastic soles/fabric uppers and rubber or plastic protective footwear. (SIC 302)

Employment & Earnings

Employment in the U.S. footwear manufacturing industry continued to decline. In 1958 the nonrubber footwear industry employed close to 157,000 people; by 1982 employment averaged under 129,000.

Compared with the average in 1981, total employment in nonrubber footwear manufacturing in 1982 registered a drop of 9.7%. Employment in men's footwear manufacturing dropped 11.2% compared with a 9.1% drop in the women's nonrubber footwear segment. Average employment in rubber/plastics footwear manufacturing in 1982 declined 4.0% from the previous year's level.

Pressure from imports and a sluggish U.S. economy continued to affect activity in the U.S. footwear industry in 1983. As of March, according to the Bureau of Labor Statistics, there were 123,400 employees in the nonrubber footwear industry, representing a decline of almost 5%, or 5,900 people, compared with the same month of 1982.

While the number of workers declined, average weekly earnings registered gains in 1982 compared with 1981. Weekly working hours declined in the nonrubber footwear industry.

GENERAL STATISTICS ON THE INDUSTRY

Employment & Earnings in the U.S. Footwear Industry, 1980 - 1982

	Annual Average Employment (in Thousands)					
	Total Employees			Production Workers		
	1982	1981	1980	1982	1981	1980
Nonrubber footwear, total	128.8	142.6	143.6	109.8	122.7	122.9
Men's, except athletic	50.8	57.2	55.2	41.9	49.0	47.5
Women's, except athletic	48.1	52.9	56.2	41.9	45.5	47.8
Rubber/plastics footwear	21.3	22.2	22.3	18.4	19.6	19.8

	Production Workers					
	Avg. Weekly Hours			Avg. Weekly Earnings		
	1982	1981	1980	1982	1981	1980
Nonrubber footwear, total	35.1	36.3	36.5	$179.71	$174.97	$161.33
Men's, except athletic	35.3	37.4	37.2	188.86	188.87	172.98
Women's, except athletic	34.8	35.3	35.7	174.35	165.20	152.08
Rubber/plastics footwear	37.8	37.4	40.3	193.91	178.40	178.53

Source: U.S. Department of Labor,
Bureau of Labor Statistics,
Employment & Earnings.

Industry Concentration

The footwear industry is composed primarily of a large number of privately-owned companies. According to the Bureau of Industrial Economics 70% of the producers make under one million pairs annually. These producers account for only about 17% of total production. Twenty-two producers, each with annual production of more than four million pairs, account for over 50% of total nonrubber footwear production. In 1969 manufacturers of this size accounted for only 37% of the total output.

About 300 companies with 10 or more employees were producing nonrubber footwear in 1981. The number of factories operated by these companies showed a net decline in 1981. Nineteen new factories started up, but 38 closed down, bringing the total down to 594. Under pressure from imports and from poor economic conditions through mid-1982 an additional 12 footwear factories closed. Meanwhile, four new factories started operations, bringing the total operating to 586.

The trend toward greater concentration of footwear production among large companies able to withstand the competition of imports is expected to continue. The strongest companies have started or expanded their own importing operations, while weaker companies closed plants or went out of business.

GENERAL STATISTICS ON THE INDUSTRY

Industry Concentration

Share of Industry Shipments Accounted for by the Largest Companies--1972, 1977

	Companies (number)	Value of Industry Shipments Total (mil. $)	% accounted for by largest companies Top 4	Top 8	Top 20	Top 50
Men's footwear, exc. athl.						
1977	115	$1,734.5	31%	46%	73%	95%
1972	118	1,288.9	34	51	74	95
Women's footwear, exc. athl.						
1977	243	1,361.2	29	39	56	79
1972	294	1,346.1	32	42	56	76
Other, exc. rubber/plastic footwear						
1977	159	594.8	24	41	68	91
1972	153	485.8	30	42	65	87
Slippers						
1977	65	201.2	44	64	87	99
1972	83	151.4	39	58	80	97
Rubber/plastics footwear*						
1977	67	517.0	58	73	95	99+
1972	82	600.0	59	70	89	99

*The U.S. Bureau of Industrial Economics (1983 U.S. Industrial Outlook) places the number of establishments producing rubber/plastics footwear at 50 at the present time.

Source: U.S. Bureau of the Census, 1977 Census of Manufactur
Concentration Ratios in Manufacturing (MC77-SR-9).

Concentration of the footwear industry based on employment size has been reported by the U.S. Bureau of the Census for 1980 as noted below.

Distribution of Footwear Manufacturing Establishments & Total Employees By Employment Size Classification, 1980

	Establishments Number	%	Total Employees Number	%
Footwear, exc. rubber/plastics	710	100.0	132,614	100.0
Employment size classification:				
Under 10	103	14.5	332	0.2
10 to 49	130	18.3	3,767	2.8
50 to 99	81	11.4	6,256	4.7
100 to 249	166	23.4	28,686	21.6
250 to 499	198	27.9	69,195	52.2
500 to 999	27	3.8	29,378	18.4
1,000+	5	0.7		

(continued)

GENERAL STATISTICS ON THE INDUSTRY

Industry Concentration

Distribution of Footwear Manufacturing Establishments & Total Employees By Employment Size Classification, 1980
(continued)

	Establishments		Total Employees	
	Number	%	Number	%
Rubber/plastics footwear	68	100.0	18,217	100.0
Under 50	32	47.0	na	--
50 to 99	6	8.8	440	2.4
100 to 249	9	13.2	na	--
250 to 499	11	16.2	3,684	20.2
500 to 999	5	7.4	3,735	20.5
1,000+	5	7.4	8,559	47.0

na = not available

Source: U.S. Bureau of the Census,
County Business Patterns, 1980

Location of the Industry

The footwear industry in the U.S. continues to be concentrated in New England, although this area has shared in the decline in U.S. production in recent years. In 1980, according to the data compiled by the Census Bureau, New England accounted for 29.1% of total industry payrolls and 27.4% of total industry employment.

Employment & Payroll For Nonrubber Footwear Producers By Geographic Area, 1980

Geographic Area	Employment	Payroll (000)
United States	126,052	$1,146,495
New England Division	34,534	333,490
Maine	16,004	152,747
Massachusetts	10,888	109,337
New Hampshire	7,642	71,406
Middle Atlantic Division	18,243	169,895
New Jersey	1,028	11,773
New York	6,744	54,061
Pennsylvania	10,471	104,061
North Central Region	29,384	277,766
Ohio	3,915	33,079
Illinois	3,085	32,064
Wisconsin	3,813	39,960
Missouri	14,724	127,389
Other States	3,847	44,734

(continued)

GENERAL STATISTICS ON THE INDUSTRY

Location of the Industry

Employment & Payroll For Nonrubber Footwear Producers By Geographic Area, 1980
(continued)

Geographic Area	Employment	Payroll (000)
South & West Regions	43,010	$ 358,737
Virginia	(D)	(D)
North Carolina	3,246	29,514
Tennessee	12,749	114,389
California	3,188	31,089
Maryland	749	6,316
Georgia	1,213	8,319
Florida	1,767	13,855
Kentucky	3,049	19,630
Arkansas	6,515	48,162
Texas	4,174	38,658
Hawaii	70	780
Other States	6,290	48,025
Geographic Areas n.s.k.*	881	6,607

*Represents estimated data for establishments of small companies, typically those with fewer than five employees, that were not included in the mailing panel.

(D) Data withheld to avoid disclosing figures for individual companies

Source: Current Industrial Reports, MA-31A,
U.S. Bureau of the Census

LEADING MANUFACTURERS AND OPERATING RESULTS

Operating profits in the footwear divisions of the 10 leading manufacturers had a mixed record in 1982, as noted in the following table. In about half of the companies profits were higher, in the rest lower than in 1981. Composite sales of footwear among the 10 leaders amounted to over $3.3 billion last year, registering an 8.1% gain over the 1981 total.

Sales & Profits of Leading Publicly-Held Footwear Manufacturers, 1981, 1982

	Footwear Sales (Mil. $)		Footwear Operating Profit (Mil. $)		Footwear's % Contribution to Total Company: Sales		Footwear's % Contribution to Total Company: Operating Profit	
	1982	1981	1982	1981	1982	1981	1982	1981
U.S. Shoe Corp.	$670.9	$630.3	$72.0	$61.9	53%	58%	55%	53%
Nike, Inc.	580.3	398.9	nr	nr	89	92	nr	nr
Interco, Inc.	546.0	587.0	57.1	78.4	21	22	28	30

(continued)

LEADING MANUFACTURERS AND OPERATING RESULTS

Sales & Profits of Leading Publicly-Held Footwear Manufacturers, 1981, 1982
(continued)

	Footwear Sales (Mil. $)		Footwear Operating Profit (Mil. $)		Footwear's % Contribution to Total Company: Sales		Footwear's % Contribution to Total Company: Operating Profit	
	1982	1981	1982	1981	1982	1981	1982	1981
Genesco, Inc.	$482.0	$483.6	$17.7	$37.4	72	73	59	73
Wolverine World Wide*	316.9	299.1	23.7	28.4	nr	nr	nr	nr
Stride Rite Corp.	224.8	194.8	22.5	19.0	100	100	100	100
Chesebrough-Pond's, Inc. (G.H. Bass & Co.)	140.2	122.5	17.8	12.5	9	8	8	6
R.G. Barry Corp.	134.0	141.1	4.2	5.4	100	100	100	100
Suave Shoe Corp.	121.9	117.0	12.7	12.9	nr	94	nr	95
Weyenberg Manufacturing	97.5	92.3	6.4	5.7	100	100	100	100

NOTE: Footwear sales and operating profit include both manufacturing and retailing operations, where applicable.

nr = not reported.

*Figures are total company sales.

Source: Fairchild Market Research Division based on annual reports.

Annual operating ratios compiled by Dun & Bradstreet for the year 1982 showed the effects of the poor economy. The ratio of current liabilities to inventory in the nonrubber footwear industry were a typical 86.8%, up from 85.8% in 1980. Return on net sales decreased to 3.2% in 1982 compared with 3.9% in 1980.

Selected Key Business Ratios For Nonrubber Footwear Manufacturers, 1980, 1982
(Median Results)

	1982	1980
Number of reporting manufacturers	103	119
Current liabilities to inventory (%)	86.8	85.8
Total liabilities to net worth (%)	72.8	73.6
Net sales to inventory (times)	6.3	5.7
Total assets to net sales	46.4	44.9
Return on net sales (%)	3.2	3.9
Return on total assets (%)	6.7	7.6
Return on net worth (%)	14.0	14.5

Source: Dun & Bradstreet, Dun's Business Month.

LEADING MANUFACTURERS AND OPERATING RESULTS

Based on 10-K reports filed by publicly owned companies with the Securities & Exchange Commission, Schonfeld & Associates, a Chicago-based consulting company, has compiled data on advertising ratios as a percent of sales and as a percent of gross margin (sales minus cost of goods sold). Averages reported for 1981 compared with 1976 are noted below.

Advertising & Promotion Expenditures by Nonrubber Footwear Manufacturers
Percent of Sales & of Gross Margins, 1976, 1981

	% of Sales	% of Gross Margins
1981	3.0	8.2
1976	1.8	5.5

Source: Advertising Age, Oct. 3, 1977; Aug. 2, 1982

PRODUCTION

Capacity utilization in the footwear industry in the U.S. continued to decline in 1982. According to the U.S. Bureau of the Census, the industry operated at 75.8% of capacity in 1981. In 1982, however, capacity utilization was reported to have dropped to an estimated 67% due to the recession and to imports of footwear. The under-utilization of capacity appeared to be concentrated in the small- and medium-size private companies.

Nonrubber Footwear

Domestic production of nonrubber footwear continued to slide in 1982. A total of 331.4 million pairs were produced, which was almost 13% below the 1981 total and 14.2% below 1980 production. Continued high interest rates which affected producers' cost, competition from imports and a sharp drop in consumer demand contributed to the decline.

Reversing the results for the previous year, in 1982 production of men's nonrubber footwear was curtailed at a sharper rate than women's (22% vs. 10%). Output of boots for men declined 33%, due particularly to a decline in demand for Western-style boots, while production of women's boots registered a gain of about 14%.

Nonrubber athletic footwear registered the first decline in production in recent years--down 4.1% in 1982 compared with 1981.

Rubber/Plastics Footwear

The rubber/plastics footwear industry is composed of two distinct product classes: (1) rubber and plastics protective footwear--such as hunting boots, galoshes, gaiters, rubbers and industrial protective footwear, and (2) rubber or plastic-soled footwear with fabric upper (tennis shoes, sneakers, nonleather athletic footwear, and specialties, such as espadrilles, for leisure use).

PRODUCTION

Rubber/Plastics Footwear

Production of rubber/plastic-soled/fabric-upper footwear dropped to 75 million pairs, according to preliminary data for 1982, which was 21.3% below the 1981 level. Imports have increased to the point where they exceed U.S. output, but they, too, declined in 1982. In addition, trade reports reflect a growing preference on the part of consumers for the less-expensive leather athletic footwear, turning away from canvas types. Leather, it is reported, has a status image that has greater appeal for the athletic customer, particularly the younger group.

Production of rubber/plastic protective footwear, on the other hand, registered a sharp rise of 33.5% in 1982 compared with 1981, reaching over 14 million pairs. This reversed the sharp decline reported for the year 1981.

U.S. Production of Footwear by Type, 1980-1982
(Thousands of Pairs)

	1982(p)	1981(r)	1980(r)	% Change 1982/1981
Footwear, nonrubber & rubber/plastics, total	420,882	486,593	498,300	- 13.5%
Nonrubber footwear, including slippers, total	331,388	380,383	386,311	- 12.9
Shoes & boots, incl. athletic footwear, total	263,684	305,721	313,400	- 13.7
Men's (except athletic)	68,778	87,836	88,215	- 21.7
Shoes, dress & casual	40,399	51,431	52,317	- 21.4
Boots, dress & casual	10,698	15,970	14,076	- 33.0
Work shoes (ankle height or higher)	17,441	20,102	21,487	- 13.2
Type not specified	241	333	335	- 27.6
Youths' & boys' (except athletic)	7,352	11,341	13,766	- 35.2
Women's (except athletic)	123,909	137,973	142,954	- 10.2
Sandals	113,080	20,643	18,073	+ 38.6
Casual, except sandals		60,954	65,081	
Dress		46,576	49,869	
Boots (ankle height or higher)	9,976	8,762	8,856	+ 13.8
Type not specified	853	1,038	1,075	- 17.8
Misses' (except athletic)	10,109	10,169	11,268	- 0.6
Children's (except athletic)	12,978	13,884	14,707	- 6.5
Infants' & babies'	18,882	23,912	23,650	- 21.0
Athletic shoes, exc. those with sole vulcanized to fabric upper	16,637	15,976	15,038	- 4.1
Designed for sports	nr	5,172	4,451	--
All other (joggers, etc.)	nr	10,804	10,587	--
Up to size 3	--	1,807	1,902	--
Size 3 & over	--	8,997	8,685	--
All other shoes, exc. those with sole vulcanized to fabric upper & rubber & plastic protective footwear (includes ballet & other theatrical shoes)	4,030	3,557	2,698	+ 13.3
Shoes, exc. men's & women's type not specified	1,009	1,073	1,104	- 6.0

(continued)

U.S. Production of Footwear by Type, 1980-1982
(Thousands of Pairs)
(continued)

	1982(p)	1981(r)	1980(r)	% Change 1982/1981
Slippers	67,704	74,662	72,911	- 9.3%
Men's & youths', boys'	nr	20,547	19,420	--
Women's & misses'	nr	46,952	46,870	--
Children's, infants', babies'	nr	6,497	5,971	--
Type not specified	--	666	650	--
Rubber or plastic sole/fabric upper footwear (sneakers, certain athletic shoes, etc.) total	75,049	95,392	97,516	- 21.3
Rubber/plastic protective footwear	14,445	10,818	14,473	+ 33.5
Rubber upper protective footwear	nr	4,977	6,602	--
Boots	--	1,515	2,034	--
Lumberman & pacs	--	nr	nr	--
Arctics & gaiters	--	1,043	11,203	--
Light & heavy rubbers	--	nr	nr	--
Plastic upper protective footwear	nr	4,863	7,871	--
Fabric upper protective footwear	nr	978	nr	--

(p) preliminary
(r) revised
nr = not reported

Source: U.S. Bureau of the Census, Current Industrial Reports, Footwear (MA-31A).

Boots

For the year 1981 the U.S. Census Bureau provided some detail on production of boots not previously reported. U.S. output of Western-style boots for men totaled over 11 million pairs in 1981. Western boot sales, however, dipped sharply by mid-1982 after two years of extraordinary growth. Changes in style preference and the recession caused consumers to switch their buying to more traditional types of footwear.

Recap
Boots: Summary of U.S. Production, 1981, 1982
(Thousands of Pairs)

	1982	1981
Boots, except rubber/plastic, total	--	28,483
Men's boots, total	10,698	15,970
Dress & casual	nr	4,922
Western style	nr	11,048
Youths' & boys' boots	nr	1,257
Women's boots, ankle height or higher	9,976	8,762
Misses' boots	nr	788
Children's boots	nr	1,706
Boots, rubber upper	nr	1,515

nr = not reported.

Source: U.S. Bureau of the Census, Current Industrial Reports.

PRODUCTION

Seasonal Pattern in Production

Percent of Year's Total Production by U.S. Manufacturers, by Months, 1982
(Based on quantity)

	Nonrubber Footwear Total *	Men's Youths' Boys'	Women's & Misses'	Other, Including Athletic
Total, year 1982	100.0%	100.0%	100.0%	100.0%
January	8.1	8.3	8.1	9.5
February	8.4	7.9	8.2	9.6
March	9.6	9.2	9.2	10.8
April	8.3	8.1	8.1	8.9
May	8.6	8.8	8.6	8.8
June	8.6	8.7	8.4	8.0
July	7.2	7.1	8.5	6.0
August	8.5	8.7	8.4	8.1
September	8.7	8.7	8.8	7.8
October	8.7	9.0	8.2	8.2
November	7.9	8.1	7.7	7.3
December	7.1	7.4	7.7	6.9

* Includes slippers and other nonrubber footwear not separately reported.

Source: Based on U.S. Bureau of the Census, *Current Industrial Reports*.

By Geographic Region of the U.S.

While overall production of nonrubber footwear in the U.S. declined by 1.5% in 1981 compared with 1980, production in the Middle Atlantic Division registered a gain. This was due to a 1.2% increase in output in Pennsylvania and a 7.0% increase in footwear production in New Jersey. Output in other regions declined, but New England still held on to the largest share of production (23.4% in 1981). The North Central States accounted for 22.7%.

PRODUCTION

By Geographic Region of the U.S.

Production of Nonrubber Footwear by Geographic Area & by Leading States--1980, 1981

	Thousands of Pairs		Percent of Total	
	1981	1980	1981	1980
Nonrubber footwear, total	380,383	386,311	100.0%	100.0%
New England Division	89,169	91,935	23.4	23.8
Maine	45,024	46,738	11.8	12.1
Massachusetts	27,458	27,638	7.2	7.2
New Hampshire	16,686	17,559	4.4	4.5
Middle Atlantic Division	79,094	75,511	20.0	19.5
New Jersey	12,926	12,070	3.4	3.1
New York	24,889	25,615	6.5	6.6
Pennsylvania	38,279	37,826	10.1	9.8
North Central Region	86,212	87,207	22.7	22.6
Ohio	18,626	16,449	4.9	4.3
Illinois	7,440	6,086	1.9	1.6
Wisconsin	7,992	7,600	2.1	2.0
Missouri	40,261	45,131	10.6	11.7
Other states	11,963	11,941	3.1	3.1
South & West Regions	125,707	128,406	33.0	33.2
Tennessee	33,728	32,612	8.9	8.4
Arkansas	15,924	17,154	4.2	4.4
Texas	14,022	14,152	3.7	3.7
Other states	62,033	64,488	16.3	16.7
Other*	3,202	3,252	0.8	0.8

* Estimated data for very small companies not included in the mailing panel.

Source: U.S. Bureau of the Census, Current Industrial Reports, Footwear (MA31A)

Materials

Prices of cattlehide leather continued to decline in 1982 from the record highs of 1979. For the year 1982, producer prices averaged 2.2% below the 1981 level. Leather-uppers accounted for a larger share of nonrubber footwear production in 1982 than in 1981 or 1980, although a total production of footwear with leather uppers declined.

PRODUCTION

Materials

Production of Nonrubber Footwear by Material in Uppers

	1982		1981		1980	
	Mil. Pairs	%	Mil. Pairs	%	Mil. Pairs	%
Total production	331.4	100.0	380.4	100.0	386.3	100.0
Type of upper:						
Leather	179.6	54.2	198.2	52.1	203.7	52.7
Plastic (vinyl)	75.2	22.7	97.0	25.5	108.6	28.1
Other	76.6	23.1	82.1	21.6	70.9	18.4
Not specified	--	--	3.1	0.8	3.2	0.8

Source: Based on U.S. Bureau of the Census reports.

While production of footwear by U.S. manufacturers declined in 1982, shoes with leather uppers accounted for a greater share of men's shoes and of women's shoes. As noted, trade reports indicate a swing to leather uppers in the athletic footwear category; however, data for 1982 from the Census Bureau indicates that leather uppers in the nonrubber athletic footwear category that year accounted for a smaller share (55.5%) of production than in 1981 (59.8%).

Leather's Share of Production of Selected Types of Nonrubber Footwear

	1982	1981	1980
Leather uppers in			
Men's shoes, except athletic	90.8%	87.6%	86.7%
Women's shoes, except athletic	56.2	53.2	54.8
Athletic footwear	55.5	59.8	68.6

Source: Based on U.S. Bureau of the Census, Current Industrial Reports.

SHIPMENTS

In May 1983 the U.S. Bureau of the Census issued a report on Value of Product Shipments for U.S. industries based on the 1981 Annual Survey of Manufactures, which provides the most comprehensive coverage of manufacturing activity in the years between the complete census which is conducted every five years (the most recent covering the year 1977).

The 1981 annual survey placed the value of U.S. manufacturers' shipments of nonrubber footwear at $5,221.3 million--considerably higher than preliminary estimates for the year 1981 issued by the Census Bureau in the Current Industrial Reports series, which placed the value of nonrubber footwear shipments at $4,834.1 million.

SHIPMENTS

The 1981 total of $5,221.3 million was 8.5% over the 1980 total. Preliminary reports for 1982 indicate a decline of over 13% in value of U.S. shipments compared with 1981, with the sharpest drop registered in men's footwear--led by the decline in demand for Western-style boots.

According to the U.S. Bureau of Industrial Economics (1983 U.S. Industrial Outlook), shipments of nonrubber footwear, on a constant (1972) dollar basis, declined in value at a compound annual rate of 4.3% in the period 1972-1982. A decline of 2.8% is projected for the year 1983 compared with 1982 (constant dollar basis). Under pressure of imports and recession, several major domestic producers of women's footwear closed down in 1982. Shipments of women's footwear, therefore, are expected to show the sharpest decline, in real terms, of any class in 1983--down an estimated 4.0% compared with 1982, according to the Bureau.

According to the 1981 Annual Survey of Manufactures, shipments of rubber/plastics footwear in 1981 reached a value of $560.7 million, which was 11.6% higher than the 1980 total. The rise was surprising in view of the rise in imports to the point where they now exceed U.S. production. Imports were particularly high in the first half of 1981 when importers stepped up activity to beat the rise in tariffs which became effective July 1.

The U.S. Bureau of Industrial Economics reported that in terms of 1972 dollars, shipment values for rubber/plastic footwear declined 4.1% annually from 1972 to 1980, then dropped another 9% in 1981 and a further 3% in 1982. A decline of another 3% for 1983 was forecast due to sluggish overall markets and continued strong imports. The level of consumer demand for running and jogging shoes will heavily influence domestic shipments.

Value of Footwear Shipments, 1977, 1979-1981
(Millions of Dollars)

	1981	1980	1979	1977	% Change 1981/77
Total, all footwear	$5,782.0	$5,316.2	$4,739.6	$4,141.9	+ 39.6%
Nonrubber footwear, total	5,221.3	4,813.7	4,261.2	3,737.1	+ 39.7
House slippers	268.1	322.5	258.4	190.2	+ 41.0
Men's footwear, exc. athletic	2,156.3	1,879.9	1,748.9	1,592.1	+ 35.4
Work shoes & boots	545.3	494.9	490.9	421.7	+ 29.3
Dress & casual boots	558.0	444.1	350.5	271.0	+105.9
Dress & casual shoes	1,038.8	923.0	893.0	872.5	+ 19.1
Type not specified (estimated)	14.1	17.9	14.4	26.9	- 47.6
Women's footwear, except athletic	1,995.0	1,828.7	1,617.2	1,368.8	+ 43.9
Boots (ankle height & higher)	269.6	185.0	232.5	232.2	+ 16.1
Sandals	242.9	204.1	185.0	102.8	+136.3
Casual shoes, except sandals	797.0	726.3	550.7	524.6	+ 51.9
Dress shoes	657.1	671.9	637.5	480.6	+ 36.7
Type not specified	28.5	41.4	11.5	46.6	- 38.8

(continued)

SHIPMENTS

Value of Footwear Shipments, 1977, 1979-1981
(Millions of Dollars)
(continued)

	1981	1980	1979	1977	% Change 1981/77
Other nonrubber footwear, incl. athletic footwear	801.9	782.6	636.7	568.0	+ 41.2
Youths' & boys', exc. athletic	112.0	117.8	98.4	98.3	+ 13.9
Infants' & babies'	143.6	131.4	98.7	80.9	+ 77.5
Misses' & preteens', exc. athletic	95.5	80.1	88.5	90.9	+ 5.1
Children's, except athletic	126.5	115.1	103.0	114.0	+ 11.0
Other, including athletic	290.8	289.3	246.5	151.3	+ 92.2
Type not specified	33.5	48.8	1.6	32.6	+ 2.8
Rubber & plastics footwear, total	560.7	502.5	478.4	404.8	+ 38.5

Source: U.S. Bureau of the Census, Annual Survey of Manufactures, Value of Product Shipments (M81(AS)-2) (Issued May 1982).

Based on preliminary Bureau of the Census data for 1982, the U.S. industry shipped 335.2 million pairs of nonrubber footwear that year, representing a loss of 11.1% compared with the 1981 total. In 1981 shipments were 2% below 1980.

Preliminary figures indicate total shipments of rubber/plastic sole-fabric upper footwear by domestic producers amounted to only about 76 million pairs in 1982. These figures, however, are subject to revision. The 1981 total was reported at 92.8 million pairs, down 4.8% compared with 1980. Protective footwear shipments dropped 21% to reach 11.5 million pairs in 1981. Figures for 1982 are not available. As previously noted, production of rubber/plastic-fabric upper footwear in 1982 was 21.3% below the 1981 total; protective footwear output, however, was up 33.5% in pairage.

Shipments of Nonrubber Footwear by Type, 1980, 1981
(Thousands of Pairs)

	1981	1980
Nonrubber footwear, total	377,240	384,926
Shoes, except rubber	302,354	314,086
Men's (except athletic)	87,974	91,177
Dress & casual shoes	52,704	54,607
Boots, Western style	10,918	*
Boots, dress & casual	4,090	14,521
Workshoes, ankle height or higher	19,923	21,698
Type not specified**	339	351
Youths' & boys' (except athletic)	10,785	12,774

(continued)

Shipments of Nonrubber Footwear by Type, 1980, 1981
(Thousands of Pairs)
(continued)

	1981	1980
Women's (except athletic)	136,594	140,789
Sandals	20,836	18,200
Casual shoes, except sandals	62,068	63,938
Dress shoes	43,869	48,813
Boots, ankle height or higher	8,806	8,778
Type not specified**	1,015	1,060
Misses' (except athletic)	10,142	10,910
Children's (except athletic)	13,646	14,803
Infants' & babies'	23,375	25,014
Athletic footwear	15,107	14,723
All other	3,570	2,727
Shoes, except men's & women's type not specified**	1,161	1,169
Slippers	74,886	70,840
Men's, youths' & boys'	19,191	19,297
Women's & misses'	49,499	45,439
Children's, infants' & babies'	5,519	5,464
Type not specified**	677	640

(r) = revised
* Included with dress and casual boots in 1980
** Estimated data for shipments by small companies not included in the mailing panel.

Source: U.S. Bureau of the Census, Current Industrial Reports, Footwear (MA-31A (81)-1), issued January 1983

Shipments of Rubber/Plastics Footwear, 1980, 1981
(Thousands of Pairs)

	1981	1980
Footwear with rubber or plastic soles vulcanized to fabric uppers	92,852	97,516
Espadrilles Fabric upper cement process	2,161	nr
All other	90,691	nr
Vulcanized	24,449	--
Other, including injection molded	66,242	--
Rubber/plastic protective footwear	11,464	14,473
Rubber upper	5,367	6,819
Plastic upper	5,157	7,838
Fabric upper	940	nr

nr = not reported

Source: U.S. Bureau of the Census, Current Industrial Reports, Footwear (MA31A(81)-1), issued January 1983

7

SHIPMENTS

Boots

Recap
Shipments of Boots of All Types, 1979-1981

	Quantity (thous. pairs) 1981	1980	1979	Value (millions of $) 1981	1980	1979
Total, all types of boots	25,599	25,738	28,812	$838.0	$720.8	$626.1
Nonrubber--men's						
Dress & casual boots	4,090	14,521	12,254	108.7	483.9	344.0
Western style	10,918			440.4		
Nonrubber--women's						
Boots, ankle height & higher	8,806	8,778	14,182	264.3	207.3	258.8
Rubber boots	1,785	2,439	1,776	24.6	29.6	23.3

Source: U.S. Bureau of the Census, Current Industrial Reports.

Shipments By Class of Customer

Distribution of Manufacturers' Sales of Shoes & Slippers
By Class of Customer, 1980
(Not Including Rubber/Plastic Footwear)

	Type of Footwear: Men's Shoes, Exc. Athletic	Women's Shoes, Exc. Athletic	Athletic Footwear	All Other Footwear	Slippers
Total shipments	100.0%	100.0%	100.0%	100.0%	100.0%
Retail stores & outlets of this company	22.9	18.4	37.9	23.1	5.6
Independent retailers	27.0	32.0	10.6	28.5	22.7
All other retailers	38.5	39.1	22.7	29.0	59.3
Wholesalers	8.2	7.4	28.3	18.5	10.2
All others, incl. govt. & for export	3.4	3.1	0.8	0.9	2.2
Total sales (mil. $)	$2,000.2	$1,763.6	$245.9	$469.4	$253.1

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Series MA-31A.

PRODUCER (FACTORY) PRICES

According to the Footwear Industries Association (FIA), the average factory price for a pair of nonrubber footwear was $12.49, down 2.1% compared with the 1981 average. This was a reflection of the intense competitive pressure from lower-priced imports and the need to liquidate excessive inventories as a result of a severe recession in the U.S. economy.

PRODUCER (FACTORY) PRICES

While producer (factory) price levels for leather were down in 1982 compared with the previous year, the overall wholesale price index for nonrubber shoes registered a modest gain of 1.7%. In 1981, the index went up 3.3%. Price levels in men's footwear and in children's rose more than in women's footwear.

In rubber/plastics footwear, wholesale prices in 1982 averaged 2.7% above the 1981 level, but compared with a 3.6% gain in 1981.

Footwear Producer (Factory) Price Index, 1980-1982
(1967 = 100)

	Annual Averages			% Change	% Change
	1982	1981(r)	1980	1982/1981	1981/1980
All commodities	299.3	293.4	268.4	+ 2.0%	+ 9.3%
Cattle hides	350.2	366.3	366.8	- 4.4	- 0.1
All leathers	311.3	319.8	310.6	- 2.6	+ 3.0
Cattle-hide leather	314.1	321.3	314.1	- 2.2	+ 2.3
Nonrubber footwear	245.0	240.9	233.1	+ 1.7	+ 3.3
Men's footwear	283.9	275.3	261.5	+ 3.1	+ 5.3
Women's footwear	220.2	220.0	216.5	+ 0.1	+ 1.6
Children's footwear	206.1	200.2	192.9	+ 2.9	+ 3.8
Rubber/plastic footwear	225.4	219.5	211.9	+ 2.7	+ 3.6

(r) = revised

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

Imports of nonrubber footwear increased sharply in 1982--up about 28% in quantity, over 24% in value compared with 1981. This was reported to be primarily due to the removal in mid-1981 of the Orderly Marketing Agreements (OMA's) with Korea and Taiwan and the strength of the U.S. dollar compared with other world currencies.

Sixty-nine percent of all U.S. nonrubber footwear imports last year came from Taiwan, Korea and Italy. Taiwan, alone, accounted for 183.2 million pairs, or over 38% of the total, with the total gaining 54.2% compared with 1981. Shipments from Korea more than doubled in 1982 compared with 1981, reaching 90.6 million pairs, or 18.9% of the import total.

The average price of all nonrubber footwear (at first port of entry into the U.S.) was $6.43 in 1982, down 2.6% from the average of $6.60 in 1981. The average factory price of domestic production, on the other hand, was about double the imported price.

While imports of nonrubber footwear took a sharp jump in 1982, imports of rubber/plastics footwear declined almost 23% in quantity and over 39% in value compared with 1981. Much of this was due to a switch from rubber/plastics footwear to avoid high ad valorem tariffs on this type which resulted from the ending of the

FOREIGN TRADE

Imports

American Selling Price (ASP) valuation systems, and it was also a reflection of growing preference on the part of American consumers for inexpensive leather athletic footwear rather than canvas types.

According to data compiled by the Footwear Industries Association, in 1982 imports accounted for 59.5% of the total U.S. market supply of footwear, up from 52.6% in 1982. For nonrubber footwear, imports' share was 59.8% (50.4% in 1981); in rubber/plastics footwear, imports' garnered a 58% share in 1982 (59.6% in 1981).

Of nonrubber footwear, the share held by imports was largest in athletic types (84% in 1982) and in women's footwear (65.9%).

Import Penetration of Market by Kind of Footwear

	% of U.S. Market	
	1982	1981
Nonrubber footwear		
Men's	58.3%	40.4%
Youths' & boys'	48.6	39.6
Women's	65.9	60.3
Misses'	58.9	52.8
Children's	59.8	47.6
Infants'	40.8	32.9
Athletic	84.0	78.2
Slippers*	4.6	6.4

*Due to problems in definition, import penetration represented in Department of Commerce data is estimated to be understated by about 75%.

Source: Footwear Industries of America based on U.S. Department of Commerce reports.

Imports of nonrubber footwear into the U.S. come chiefly from seven countries which accounted for close to 90% of the total quantity in 1982. As previously noted, Taiwan topped the list, as it did in 1981.

Leading Countries of Origin For Nonrubber Footwear Imports, 1981, 1982

	Million Pairs		% Change
	1982	1981	1982/1981
Taiwan	183.2	118.8	+ 54.2%
Korea	90.6	44.0	+106.0
Italy	57.4	50.2	+ 14.3
Spain	22.2	19.0	+ 16.8
Brazil	41.1	43.0	- 4.4
Hong Kong	24.5	28.3	- 13.4
Philippines	10.1	13.2	- 23.5

Source: Footwear Industries Association based on U.S. Department of Commerce reports

FOREIGN TRADE

Imports

Rubber/Plastics Footwear Imports by Country of Origin, 1981, 1982

	Million Pairs		% Change
	1982	1981	1982/1981
Taiwan	36.3	61.9	- 41.4%
Korea	38.0	48.6	- 21.8
China	13.7	12.0	+ 14.2
Italy	2.5	3.6	- 30.6
Hong Kong	2.5	3.4	- 26.5
Mexico	7.0	6.4	+ 9.4
All other	3.6	4.6	- 21.7

Source: Footwear Industries Association based on U.S. Department of Commerce reports.

FOREIGN TRADE

Imports

U.S. Footwear Imports by Type, 1980, 1981

	1982					1981		% Change 1982/1981	
	Pairs (Mil.)	% of Total	Value # (Mil. $)	% of Total	Avg. Value Per Pair	Pairs (Mil.)	Value # (Mil. $)	Pairs	Value
Footwear, total	607.4	100.0%	$3,414.6	100.0%	$ 5.62	541.1	$3,122.2	+ 12.2%	+ 9.4%
Nonrubber footwear, total	479.7	79.0	3,083.9	90.2	6.43	375.6	2,481.0	+ 27.7	+ 24.3
Rubber/plastics footwear, total	127.7	21.0	334.7	9.8	2.62	165.5	641.2	- 22.8	- 47.8
By type of footwear:									
Men's & boys', total	160.3	26.4	1,178.9	34.5	7.35	143.1	1,103.9	+ 12.0	+ 6.8
Women's & misses', total	262.9	43.3	1,610.2	47.1	6.12	269.3	1,590.4	- 2.4	+ 1.2
Children's & infants', total	38.8	6.4	116.5	3.4	3.00	39.8	115.3	- 2.5	+ 1.0
Type not specified, total	145.3	23.9	512.9	15.0	3.53	88.9	312.6	+ 63.4	+ 64.1
Dress & casual footwear, total	266.8	43.9	1,900.6	55.6	7.12	234.0	1,705.6	+ 14.0	+ 11.4
Leather uppers, total (N)	130.7	21.5	1,380.5	40.4	10.56	118.2	1,213.6	+ 10.5	+ 13.7
Men's & boys'	30.0	4.9	389.0	11.4	12.94	23.7	322.8	+ 26.5	+ 20.5
Women's & children's	99.6	16.4	977.5	28.6	9.82	93.0	867.4	+ 7.1	+ 12.7
Other, not specified	1.0	0.2	14.1	0.4	13.40	1.4	23.4	- 28.6	- 94.0
Lined vinyl uppers, total (N)	136.2	22.4	520.1	15.2	3.82	115.8	492.0	+ 17.6	+ 5.7
Men's & boys'	21.5	3.5	96.5	2.8	4.50	22.3	109.8	- 3.6	- 12.1
Women's & children's	102.1	16.8	386.9	11.3	3.79	84.5	353.4	+ 20.8	+ 9.5
Children's & infants'	12.5	2.1	36.7	1.1	2.92	9.0	28.8	+ 38.9	+ 27.4
Athletic, total	185.0	30.5	932.5	27.3	5.04	194.1	1,058.4	- 4.7	- 11.9
Leather uppers, total (N)	76.9	12.7	582.7	17.0	7.58	49.3	393.4	+ 55.9	+ 48.1
Men's & boys'	57.1	9.4	456.1	13.3	7.98	39.9	331.0	+ 43.1	+ 37.8
Women's & children's	19.5	3.2	123.1	3.6	6.32	9.3	60.1	+109.7	+104.8
Ski boots	0.3	**	3.4	0.1	11.40	0.2	2.3	+ 50.0	+ 47.8
Fabric uppers, total (R)	98.0	16.1	272.7	8.0	2.78	136.8	599.0	- 28.4	- 54.5
Joggers	10.5	1.7	40.9	1.2	3.89	*	*	--	--
Sneakers	51.7	8.5	168.8	4.9	3.26	*	*	--	--
Others	35.8	5.9	63.0	1.8	1.76	*	*	--	--
Lined vinyl uppers, total (R)	10.1	1.7	77.2	2.3	7.65	8.0	66.0	+ 26.3	+ 17.0
Men's & boys'	6.3	1.0	26.5	0.8	4.21	4.8	25.1	+ 31.3	+ 5.6
Women's & misses'	2.1	0.3	9.1	0.3	4.29	1.9	9.4	+ 10.5	- 3.2
Children's & infants'	0.6	0.1	2.2	**	3.41	0.4	1.4	+ 50.0	+ 57.1
Ski boots	1.0	0.2	39.3	1.1	38.68	0.8	30.1	+ 25.0	+ 30.6
Work footwear, leather, total (N)	6.8	1.1	84.0	2.4	12.22	4.8	56.3	+ 41.7	+ 49.2
Boots & protective footwear, nonleather, total (R)	11.1	1.8	56.2	1.6	5.06	7.5	35.0	+ 48.0	+ 60.6
Other footwear, total	137.5	22.6	445.2	13.0	3.24	100.7	266.8	+ 36.5	+ 66.9
Unsupported rubber or plastic, total (N)	26.1	4.3	93.7	2.7	3.59	24.7	97.4	+ 5.7	- 3.7
Men's & boys'	3.5	0.6	14.4	0.4	4.11	3.7	16.8	- 5.4	- 14.3
Women's & misses'	20.0	3.3	72.7	2.1	3.64	19.0	75.6	+ 5.3	- 3.8
Children's & infants'	2.6	0.4	6.6	0.2	2.54	2.1	5.0	+ 23.8	+ 32.0
Zories (R)	18.6	3.1	5.9	0.2	0.32	21.3	7.2	- 12.7	- 18.1
Fiber uppers (N)	22.3	3.7	62.8	1.8	2.81	16.4	44.1	+ 36.0	+ 42.4
Wood (N)	3.0	0.5	18.3	0.5	6.01	7.5	43.2	- 60.0	- 57.6
Other (N)	67.5	11.1	264.5	7.7	3.92	30.9	74.9	+118.4	+253.1

(N) = Nonrubber

(R) = Rubber

# The import value is the wholesale value at the first port of entry in the U.S. It includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise to the U.S.

* 1981 information unavailable because a different classification system was used in 1982.

** Less than 0.1%

Source: Fairchild Market Research Department
based on U.S. Department of Commerce,
Bureau of the Census data.

FOREIGN TRADE

Exports

After two years of solid growth in footwear exports by the U.S., the strength of the U.S. dollar, which made domestic products more expensive for foreign buyers, reversed the trend. Exports of nonrubber footwear declined under nine million pairs, almost 21% below the 1981 total. The f.a.s. (free alongside ship) value of exported footwear dropped 15.5%. Exports accounted for only 2.6% in quantity and 2.3% in value of domestic shipments.

U.S. footwear exports are mostly of the athletic, western boot, men's casual, work and hunting boot types. One hundred different countries receive these exports and Canada is the major market. Increasing quantities of cut footwear parts are being exported by the U.S. to nearby Central American countries, assembled there with low labor costs and reexported to the U.S.

U.S. exports are not only adversely affected by the strength of the dollar, but also by quotas established by potential buyers, including Canada and Japan.

Quantity & Value of U.S. Exports of Nonrubber Footwear, 1981, 1982
(In millions)

	1982	1981	% Change 1982/1981
Pairs	8.89	11.18	- 20.5%
Value (f.a.s.)	$ 101.6	$ 120.2	- 15.5
Average value ($ per pair)	$ 11.43	$ 10.76	+ 6.2

Source: American Footwear Industries Association and U.S. Department of Commerce

MARKET SUPPLY

Market Supply Summary For 1982

		1982	% Change 1982/1981
Total footwear supply in the U.S.	Mil. pairs	980.8	- 0 -
Nonrubber	Mil. pairs	802.2	+ 7.7%
Rubber/fabric	Mil. pairs	178.6	- 24.3
Import share of total supply	Percent	59.5	+ 13.1
Nonrubber	Percent	59.8	+ 18.7
Rubber/fabric	Percent	58.0	- 2.7
Market supply by types--nonrubber			
Men's market	Mil. pairs	164.9	+ 11.9
Import share	Percent	58.3	+ 44.3
Women's market	Mil. pairs	363.1	+ 4.3
Import share	Percent	65.9	+ 9.3

(continued)

MARKET SUPPLY

Market Supply Summary For 1982
(continued)

		1982	% Change 1982/1981
Market supply by types--nonrubber (cont'd.)			
Juvenile market	Mil. pairs	103.2	+ 0.8%
Import share	Percent	52.1	+ 23.8
Athletic market	Mil. pairs	103.6	+ 41.3
Import share	Percent	84.0	+ 7.4
Market by material--nonrubber			
Leather footwear	Mil. pairs	394.1	+ 6.0
Import value	Percent	54.4	+ 17.5
Vinyl/plastic footwear	Mil. pairs	249.9	- 0.2
Import share	Percent	69.9	+ 14.8
Other footwear	Mil. pairs	167.1	+ 25.0
Import share	Percent	54.2	+ 42.0

Source: Footwear Industries of America, Quarterly Report (May 5, 1983)

Market Supply by Type of Footwear, 1981, 1982
(Quantity in millions of pairs)

	1982	1981	% Change 1982/1981
Total footwear (nonrubber & rubber/plastic)			
Domestic	406.4	475.8	- 14.6%
Imports	583.3	516.1	+ 13.0
Exports **	8.9	11.2	- 20.5
Market supply	980.8	980.7	0 -
Import penetration (%)	59.5	52.6	+ 6.9 points
Nonrubber footwear			
Domestic	331.4	380.4	- 12.9
Imports	479.7	375.6	+ 27.7
Exports	8.9	11.2	- 20.5
Market supply	802.2	744.8	+ 7.7
Import penetration (%)	59.8	50.4	+ 9.4 points
Rubber/plastic footwear			
Domestic	75.0	95.4	- 21.3
Imports	103.6	140.5	- 26.3
Market supply	178.6	235.9	- 24.3
Import penetration (%)	58.0	59.6	- 1.6 points

* Nonrubber only

Note: Figures differ somewhat from later revised shipment figures reported in the Shipments section.

Source: Footwear Industries of America based on U.S. Department of Commerce reports.

RETAIL TRADE

Size of the Market

By the year 1990 the U.S. population is expected to increase by about 14%, reaching a total of close to 268 million people, compared to the present level of about 234 million. This projection is based on the middle of three different assumptions as to future fertility rates, mortality and immigration.

The fastest growing age segment is 35 to 54 years of age. An increase of over 56% is expected in the number of people of this age by 1990, and they will represent 30% of the total population compared with only 22.1% in 1983.

Population Productions--1983-2000 *

	Number (Thous.)			% Change	Percent Distribution		
	1983	1990	2000	2000/1983	1983	1990	2000
FEMALE							
Total, all ages	120,216	128,234	137,611	+ 14.5%	100.0%	100.0%	100.0%
Under 5 years	8,173	9,369	8,601	- 1.3	7.2	7.3	6.3
5 to 9 years	7,793	9,080	9,157	+ 17.5	6.5	7.1	6.6
10 to 15 years	10,417	9,791	11,419	+ 9.6	8.7	7.6	8.3
16 years & over	93,293	99,994	108,436	+ 16.2	77.6	78.0	78.8
16-19	7,654	6,704	7,373	- 3.7	6.4	5.2	5.4
20-34	30,925	30,774	26,442	- 14.5	25.7	24.0	19.2
35-54	26,458	32,170	40,810	+ 54.2	22.0	25.1	29.6
55 & over	28,256	30,346	33,811	+ 19.7	23.5	23.7	24.6
Median age (years)	32.2	34.3	37.7	+ 17.1			
MALE							
Total, all ages	113,977	121,498	130,379	+ 14.4	100.0	100.0	100.0
Under 5 years	9,133	9,831	9,024	- 1.2	8.0	8.1	6.9
5 to 9 years	8,155	9,519	9,601	+ 17.7	7.1	7.8	7.4
10 to 15 years	10,892	10,240	11,968	+ 9.9	9.6	8.4	9.2
16 years & over	85,797	91,907	99,787	+ 16.3	75.3	75.6	76.5
16-19	7,958	6,999	7,709	- 3.1	7.0	5.8	5.9
20-34	31,162	31,301	27,071	- 13.1	27.3	25.8	20.8
35-54	25,302	31,066	40,002	+ 58.1	22.2	25.5	30.7
55 & over	21,376	22,541	25,005	+ 17.0	18.8	18.5	19.1
Median age (years)	29.6	31.8	34.9	+ 17.9			

* Middle series projections (out of three) which assumes a fertility rate of 2.1, or at the replacement level.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Series P-25, No. 922
(October 1982)

RETAIL TRADE

Consumer Expenditures

Preliminary data issued by the U.S. Department of Commerce places the total value of consumer spending for footwear at $19.710 billion in 1982, representing a gain of 3.2% over the 1981 total of $19.095 billion. On a constant dollar basis, however, eliminating the effects of inflation, the real gain in spending shrank to less than 1%. The share of total consumer expenditures going for footwear in 1982 was 1.0%, down slightly from its 1981 share and comparing with 1.2% in 1972.

Trade sources indicate that spending for women's and girls' footwear in 1982 amounted to $11.6 billion; for men's and boys', 7.3 billion, infants', about $800 million.

Of all spending for apparel and footwear in 1982, footwear represented 16.6%, down slightly from 16.7% in 1981.

Retail Sales by Outlet Type

Shoe stores--particularly family shoe stores--command the major share of footwear retail sales in the U.S. An analysis by Footwear Industries of America placed the 1981/1982 share of the total market held by shoe stores at about 45%.

In an analysis of retail trends by FMI, Inc., Nashville (a service which monitors footwear purchases) this spring, it was pointed out that the U.S. footwear market had been in a highly volatile state in recent months. Promotional activity had increased significantly and discounters had increased their market share while conventional shoe stores had lost part of theirs. Factory outlets, it was reported, are a small but rapidly growing segment of the market, particularly in the Northeast. (Footwear News, April 11, 1983).

Estimated Retail Sales of Footwear by Type of Outlet
1981, Projected 1982

	1981		1982 Projected	
	Mil. $	%	Mil. $	%
Total footwear sales	$18,700	100.0%	$20,200	100.0%
Stores with reported payrolls				
Department stores (incl. traditionals, discounters, Penney-Sears-Ward stores & similar retail organizations)	4,200	22.5	4,520	22.4
Other general merchandise stores, nec	385	2.0	400	2.0
Variety stores	295	1.6	310	1.5
Shoe stores (incl. chains, independents)	8,320	44.5	9,150	45.3
Apparel stores	1,100	5.9	1,150	5.7
Mail order houses	310	1.6	340	1.7
Other stores with payroll	590	3.2	630	3.1
Owner-operated shops, lease arrangements, etc. (stores not reporting payrolls)	3,500	18.7	3,700	18.3

nec = not elsewhere classified.

Source: Footwear Industries of America data published in Stores, February 1982.

RETAIL TRADE

Sales by Area

Based on information compiled for 1980 by Sales & Marketing Management on retail sales of footwear by states, the biggest share of volume was concentrated in the Middle Atlantic States (17.2%), followed by East North Central States (16.9%).

Distribution of Footwear Retail Sales by Area

Total U.S.	100.0%
New England (Conn., Me., Mass., N.H., R.I., Vt.)	6.6
Middle Atlantic (N.J., N.Y., Pa.)	17.2
East North Central (Ill., Ind., Mich., Ohio, Wis.)	16.9
West North Central (Ia., Kans., Minn., Mo., Nev., N.D., S.D.)	6.7
South Atlantic (Del., D.C., Fla., Ga., Md., N.C., S.C., Va., W.Va.)	15.5
East South Central (Ala., Ky., Miss., Tenn.)	5.5
West South Central (Ark., La., Okla., Tex.)	11.5
Mountain (Ariz., Colo., Id., Mont., Nev., N.M., Utah, Wyo.)	5.0
Pacific (Calif., Ore., Wash., Alas., Haw.)	15.1

Source: Sales & Marketing Management, (October 26, 1981).

Shoe Stores

The U.S. Census Bureau has recently issued revised figures on retail store sales back to 1973. The revised data has resulted in downgrading the share of total shoe store sales accounted for by multi-unit organizations (with 11 or more stores).

Total shoe store sales in 1982 gained 6.2% over the 1981 figure, reaching over $9.8 billion. Multi-units accounted for 44% of the 1982 total, up from 41.5% the previous year. In the first five months of 1983, shoe store sales were up 3.2% compared with the same 1982 period.

The latest data on shoe store sales by type of shoe store is in the 1977 Census of Retail Trade (U.S. Bureau of the Census). In that year men's shoe stores accounted for 12.1% of shoe store business; women's shoe stores, 23.2%; family shoe stores, 62.1%; children's shoe stores, 2.6%.

Shoe Store Sales, 1979-1982
(Millions of Dollars)

					% Change		
	1982	1981(r)	1980(r)	1979(r)	1982/81	1981/80	1980/79
Shoe store sales, total	$9,854	$9,279	$8,307	$7,688	+ 6.2%	+11.7%	+ 8.0%
Chain shoe stores (11 or more store orgs.)	4,337	3,854	3,457	3,816	+12.5	+11.5	+ 8.5
% of shoe store total	44.0%	41.5%	41.6%	41.4%			

(r) revised

Source: U.S. Bureau of the Census.

RETAIL SALES

Shoe Stores

Shoe store sales should increase to about $10.6 billion in 1983 compared with $9.9 billion in 1982, according to U.S. Commerce Department projections. The expected gain of about 7.0% compares with a projected growth rate of 5.6% in sales of all types of non-durable goods stores. In the first five months of 1983 shoe store sales were up 3.2% compared with the same 1982 period, while chain store sales were up 7.6% over the same time period. (Consumer prices for footwear as of May 1983 averaged only 0.7% above the year-ago level.)

Seasonal Patterns in Shoe Store Sales, 1979-82
Percent of Year's Sales by Months

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1982	7.1	6.4	8.1	8.9	8.2	7.5	7.5	8.7	8.6	8.6	8.7	11.5	100.0%
1981(r)	6.9	5.9	7.5	9.3	8.2	7.8	7.4	8.7	8.5	9.0	8.6	12.1	100.0
1980(r)	7.0	6.0	7.8	8.7	8.1	7.5	7.2	9.0	8.6	9.0	9.3	11.7	100.0
1979(r)	6.4	5.4	7.9	8.7	7.9	7.8	7.2	9.1	8.9	9.3	9.3	12.0	100.0

Dates of Easter: 1982-April 11; 1981-April 19; 1980-April 6; 1979-April 15.

(r) revised

Source: Based on U.S. Bureau of the Census,
Monthly Retail Sales & Inventories
(BR-13).

Department Stores

Total Department Store Sales, 1979-1982
(Millions of Dollars)

				% Change		
1982	1981(r)	1980(r)	1979(r)	1982/81	1981/80	1980/79
$107,030	$103,672	$ 93,345	$ 89,159	+ 3.2%	+ 11.1%	+ 4.7%

(r) revised

Source: U.S. Bureau of the Census,
Current Business Reports
(BR-13-80S)

In the typical department store which had a total volume over $1 million, footwear departments (upstairs store) contributed 4.8% of total store sales in 1981, according to the National Retail Merchants Association. Among stores reporting on women's and misses' shoe departments (upstairs), this department accounted for a median 3.9% of total store sales. Men's footwear accounted for a median 0.8%; children's, 0.3%. (Percents do not add to 4.8% as not all stores report on each of the three footwear types. Medians are separately calculated for each shoe type.)

Compared with 1980, footwear sales in the typical department store gained 12.1%. Women's dress and casual shoes had a median increase of 11.8% among reporting stores.

RETAIL TRADE

Department Stores

Department Store Footwear Departments: Selected Operating Ratios, 1981
(Stores With A Total Volume Over $1 Million)
(Median Results -- Upstairs Departments)

	Total All Shoes	Total Women's, Misses', Junior Shoes	Women's & Misses' Dress/Cas. Shoes	Junior & Teen Shoes	Men's Footwear	Children's Footwear
(Number reporting)	(43)	(24)	(34)	(33)	(36)	(30)
Cumulative markon, %	50.9	51.4	52.0	50.9	48.4	48.7
Markdowns, % of net sales	16.9	19.4	18.4	16.3	13.0	11.4
Gross margin, % of net sales	44.5	43.7	45.4	45.3	43.4	44.8
Net sales, % chg. 1981/80	+12.1	+11.8	+15.5	+25.1	+10.7	+ 6.8
Net sales, % of total store	4.8	3.9	3.1	0.8	0.8	0.3
Returns, % of gross sales	12.2	12.2	14.5	11.7	9.3	7.1
$ sales per sq. ft. of selling space	$157.3	$148.5	$175.1	$217.9	$122.9	$47.0
Stock turns (times)	2.3	2.3	2.4	2.6	1.6	1.6

Source: National Retail Merchants Association, Merchandising & Operating Results, (1982 Edition)

Apparel Specialty Stores

The typical women's wear and family apparel store registered a gain of 13.6% in footwear sales in 1981 compared with 1980, according to the National Retail Merchants Association.

In men's wear stores, according to the Menswear Retailers of America, footwear sales showed a typical decline of 0.7% in stores handling men's/boys' wear only, and a rise of 0.3% in men's wear stores which also sell women's wear in 1980 compared with 1979. Results were better in 1981--and were reported at +12.4% and +5.3%, respectively, compared with the previous year.

Women's Specialty Stores & Family Clothing Stores: Selected Operating Ratios For Footwear Departments, 1981
(Total Store Volume Over $1 Million)
(Median Results)

Footwear departments (10*)	
Cumulative markon, %	52.2
Net sales, % of change from 1980	+ 13.6
Net sales, % of total share	4.6
Markdowns, % of net sales	21.5
Gross margin, % of net sales	42.8
Stock turns (times)	2.1

*The number of reporting companies.

Source: National Retail Merchants Association, Merchandising & Operating Results, (1982 Edition).

RETAIL TRADE

Apparel Specialty Stores

Men's Wear Stores: Selected Operating Ratios for Men's & Boys' Shoe Departments, 1981

(Median Results)

	% of Total Shoe Sales	% Change in Sales 1981/1980	Markdowns % of Men's Shoe Sales	Stock Turns Per Year (times)
Men's & boys' shoes:				
In men's wear stores handling men's wear only	5.0% (31)	+12.4% (26)	11.9% (16)	1.1 (15)
In men's wear stores which also sell women's wear	4.2% (40)	+ 5.3% (34)	11.5% (29)	1.4 (22)

Note: Figures in parentheses cover the number of reporting firms in each ratio.

Source: Menswear Retailers of America,
Annual Business Survey, June 1982.

ATHLETIC FOOTWEAR MARKET

After registering phenomenal growth in sales in recent years, the market for athletic footwear has been slowing down. The recession had much to do with this, of course, but other factors are involved. The market for many types of athletic footwear has become saturated; consumers own as many pairs as they need or want in many cases. Interest in jogging or running, which sparked a major share of the athletic footwear business, has begun to subside. In addition, teenagers represent the biggest customers for many types of athletic footwear. Not only do they represent a very fickle group with fast-changing tastes, but their number in the population is on the decline.

Nevertheless, the market remains much bigger than it was just a few years ago. Many running shoe customers--estimated as high as 75% of the total--buy these shoes for other purposes than running. The number of people buying running or jogging shoes is still two or three times what it was in 1970. The hard-core runner, the 25% of customers who buy shoes for the active sport, is generally older and more affluent--able and willing to pay more for their footwear. This segment of the jogging shoe market is being actively wooed by the manufacturers who continue major efforts to develop new, better-performing, more expensive styles to meet the needs of this demanding group.

A sharp downturn in the market for court shoes developed in the past year. Imports are the major factor in this market, and as noted these declined in 1982 along with domestic production of rubber/fabric footwear.

Marketers have picked up some of the lost trade in sales of less expensive types of leather athletic footwear, and there has been a growing market for shoes described as "athleisure footwear", for the customer who wants the "look" of athletic styles, as well as "designer" sport shoes.

ATHLETIC FOOTWEAR MARKET

The total retail market for athletic/sports footwear in 1982 is estimated at $1.9 billion by The National Sporting Goods Association. This was 5.6% above the 1981 total. The gain for 1983 is expected to fall short of last year's gain.

Nike is a major factor in the industry, with U.S. sales reported at over $650 million (manufacturers' prices) in 1982--compared with $225 million in athletic footwear sales by the second largest manufacturer, Adidas. (SportStyle, May 23, 1983)

Since Nike is such a large element in the domestic market, a breakdown on their footwear sales by type of athletic footwear gives an indication of the market profile.

U.S. Sales of Footwear By Nike, Fiscal Year 1982*

	Percent
Footwear, total	100.0%
Running	40.7
Basketball	24.9
Tennis/other racquet ball	10.1
Children's	18.3
Field sports	2.3
Leisure	2.4
Other	1.3

* 12 months ending May 31, 1982

A market analysis by Dean Witter Reynolds Inc. (Footwear News, July 26, 1982) projected growth in the market for higher-quality adult athletic footwear in the period 1982-1987 at 10%.

U.S. Market (Millions of $)

	Size 1982*	Growth Rate 1982-87	Size 1987
Higher-quality adult athletic footwear	$2.0-2.5	10%	$3.2-4.0
Higher quality children's shoes	$0.8-1.0	10%-12%	$1.3-1.8
Leisure & work shoes	$4.0	10%	$6.4

*Estimates of market size depend on how broadly one defines the market.

Source: Dean Witter Reynolds Inc.

According to a report in SportStyle, April 25, 1983, based on NSGA data, the leading retail outlets for many sport shoe categories, including basketball, running, racquetball and soccer are the specialty stores. Golf pro shops sold the most golf shoes; discount stores, the most baseball shoes; department stores, the most tennis shoes, gym shoes or sneakers.

BUYING HABITS--MEN'S & WOMEN'S FOOTWEAR

Footwear purchases are monitored on a regular basis covering four-month periods by FMI (Footwear Market Index), conducted by Kormos & Associates, Nashville, Tenn. Purchase records for each period, covering footwear for men, women, girls, boys, and infants, are obtained through mailings to three demographically balanced panels of 40,000 households each.

Following are findings on shoe types purchased and on place of purchase based on records filed by consumers nationwide over a 12-month span, from September 1981 through August 1982.

Percent of Purchases (Pairs), Sept. 1981-Aug. 1982

WOMEN'S FOOTWEAR

Style	
Total purchases	100%
Sandals, wedges	36
Casual, boat, jeans shoes	20
Pumps, other dress shoes	18
Athletic/tennis shoes	16
Other (incl. boots)	10

Place of Purchase	
Total purchases	100%
Shoe stores	45
Department stores	17
Discount stores	12
National catalog chains	12
Other (sporting goods stores, etc.)	14

MEN'S FOOTWEAR

Total purchases	100%
Athletic/tennis	36
Dress shoes, dress boots	30
Casual/boat/jeans shoes/ sandals	13
Work shoes/boots	12
Western/casual boots	5
Other footwear	4

Total purchases	100%
Shoe stores	39
Discount stores	14
National catalog chains	14
Department stores	8
Sporting goods stores	5
Mail order houses	4
Other outlets	15

Note: columns may not add to 100% due to rounding.

Additional details on footwear purchases compiled in the FMI are published monthly in Footwear News Magazine, starting in January 1983.

The following information is based on a survey conducted for Footwear News Magazine by the Home Testing Institute in the Fall of 1981 which covered 500 women and 410 men. This is a continuation of reports based on this survey which were included in the 1982 edition of the Footwear Fact File.

Athletic Footwear

A profile of the adult customer for athletic footwear (including sneakers), based on the Footwear News Magazine survey shows the expected above-average interest among men and women 18 to 34 years of age compared with older adults, but a fairly even representation in each income group (although the upscale customer is more likely to be a multiple-pair buyer).

BUYING HABITS--MEN'S & WOMEN'S FOOTWEAR

Athletic Footwear

Profile of Athletic Footwear Purchasers
(Percent of respondents)

	Women					Men				
	Athletic Footwear		# Pairs Owned At Start of Fall/ Winter Season			Athletic Footwear		# Pairs Owned At Start of Fall/ Winter Season		
	Purchased in Past Year	Expect to Buy Over Next Year	None	One	Two+	Purchased in Past Year	Expect to Buy Over Next Year	None	One	Two+
Total 18 & over	70%	61%	31%	38%	31%	51%	42%	42%	29%	29%
Working	70	58	27	40	33	52	42	38	31	32
Not working	70	64	35	37	28	47	44	58	22	20
Age: Under 35	83	72	19	45	36	71	60	22	38	40
35 +	68	59	33	37	30	44	37	49	26	25
Income (000)										
Under $25	70	64	31	46	23	50	43	50	28	22
$25-$34.9	68	59	36	30	34	50	41	42	27	31
$35 +	74	57	20	35	45	54	44	28	33	39
Where most footwear is purchased:										
Downtown bus. dist.	70	62	35	34	31	52	54	49	27	24
Shop. Cen./Mall	71	61	28	40	32	52	41	38	29	33
Suburb/Neighborhood	66	63	32	36	32	51	37	49	28	23
Fashion stance:										
Forerunner	74	65	37	33	30	68	57	32	39	29
Other	70	61	30	39	31	53	44	42	28	30
Plans to purchase footwear over next year: Plan to buy										
3 pair or more	--	72	26	40	24	--	69	27	35	38
Less than 3 pair	--	32	43	35	22	--	27	51	25	24

Athletic Footwear Purchases In Past Year
Total & by Selected Groups

			Income (000)		Age		Income (000)	
Purchased past 12 months:	Total	Under 35 Yrs.	Under $25	$25 +	Total	Under 35 Yrs.	Under $25	$25 +
None	33%	19%	33%	30%	55%	32%	58%	53%
One pair	33	40	34	29	30	43	30	30
Two pairs	18	21	16	18	11	19	9	11
Three or more	16	21	17	23	4	6	3	6
Total	100%	100%	100%	100%	100%	100%	100%	100%

Note: columns may not add to 100% due to rounding.

BUYING HABITS--MEN'S & WOMEN'S FOOTWEAR

Athletic Footwear

Results of a Consumer Buying Intentions Study, by Leo Shapiro & Associates for Chain Store Age (published in CSA, General Merchandise Edition, December 1982) indicated a strong disposition to buy athletic footwear in 1983. Twenty-eight percent of those interviewed thought they might buy athletic shoes and 36.1% of these potential customers had actively looked for them in the first month--the highest incidence for both men's and women's apparel.

The bulk of the retail dollars that athletic shoes will be pulling in, according to the CSA report, will come from men, mainly the 20-24 age group, and the fitness-conscious 30-35- and 40-45-year old women were less likely than men to buy athletic shoes, according to the Shapiro study.

Men were more likely than women to buy athletic shoes at a catalog chain, particularly Sears. Four-fifths of the men said they would buy shoes in the same type of store where they originally looked; 74.1% of the women gave this answer.

Women are more concerned about price in buying athletic footwear than men.

Reasons For Choosing A Particular Store in Buying Athletic Footwear

	Percent of Respondents	
	Women	Men
Price	39.2%	28.1%
Selection	15.7	29.7
Quality	9.8	12.5
Convenience	2.0	9.4
Satisfaction	11.8	14.1
Other/don't know	21.5	6.2

Source: Chain Store Age/Leo Shapiro & Associates

The median price men expected to pay for athletic footwear was $29.80; for women, $21.80.

BUYING HABITS--MEN

In the survey among 410 men conducted for Footwear News Magazine by the Home Testing Institute in the Fall of 1981, respondents were asked which they usually consider to be a better value--shoes in a discount store or shoes at sale price in other stores. Over 80% of the men (as well as women) said the latter type offered the better buy.

Distribution of Responses on Which Offers A Better Value-- Shoes In A Discount Store Or Shoes On Sale In Other Outlet Types-- By Respondent Characteristics

	Discount Store	Other Outlets	No Answer
Men 18 years & over (Total = 100%)	12.4	82.4	5.1
By age:			
Under 35	17.3	76.0	6.7
35 & older	10.8	84.6	4.6
Income (000)			
Under $25	16.9	78.5	4.6
$25-$35	7.3	86.5	6.3
$35 +	7.3	88.5	4.2
Where most shoes are purchased:			
Downtown business section	12.7	83.1	4.2
Shopping center/mall	12.4	83.1	4.5
Suburban/neighborhood stores	14.9	81.1	4.1
Expect to buy 3 or more pairs of shoes in next 12 months	12.8	81.2	6.0
Working	11.1	84.1	4.8
Not working	16.8	76.8	6.3

Of those who feel that discount stores offer the best value in footwear, most said they received information on current offerings through newspaper advertising (men, 51%; women, 61%). "Shopping the stores" was the usual source of information for 26% of the women, 33% of the men.

Sources of Information On Discount Stores' Shoe Offerings

Total male respondents who feel discount stores offer the best value:	100.0%
Newspaper advertising	51.0
Shopping the stores	33.0
Mailings by the stores	9.8
Word of mouth-friends, relatives	15.7
Television	7.8
Radio	2.0

The FN Magazine survey conducted by Home Testing Institute showed that most men buy their shoes in stores located in shopping centers or malls. Men with higher incomes ($35,000 and up) preferred stores in downtown business areas to a greater extent than lower income males, while those with incomes under $25,000 were above average in preference for shoe retailers in suburban locations.

BUYING HABITS--MEN

Location of Stores Where Survey Respondents Buy Most Footwear

		Age		Household Income (thous.)		
	Total	Under 35	35 +	Under $25	$25-$35	$35 & over
Total respondents	410	104	306	195	96	96
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
In a downtown business area	17.3	19.2	16.7	14.9	18.8	21.9
In a shopping center/mall	59.0	60.6	58.5	59.0	61.5	54.2
In a suburban or neighborhood store	18.0	21.2	17.0	22.6	12.5	16.7
In a shopping strip	4.9	1.9	5.9	4.6	4.2	7.3
Buy mostly by mail order	8.5	2.9	10.5	6.7	9.4	8.3
No answer	0.7	--	1.0	1.0	--	1.0

Note: Columns may not add to 100% due to multiple responses.

BUYING HABITS--WOMEN

In the survey among 500 women conducted for Footwear News Magazine by the Home Testing Institute in the Fall of 1981, respondents were asked which they usually consider to be a better value--shoes in a discount store or shoes at sale price in other stores. Over 80 percent of the women interviewed said the latter.

Discount stores were stronger than average among those under 35 years of age, those with incomes under $35,000.

Distribution of Responses On Which Offers A Better Value -- Shoes In A Discount Store Or Shoes On Sale In Other Outlet Types -- By Respondent Characteristics

	Discount Store	Other Outlets	No Answer
Women 18 years & over (Total = 100%)	11.4%	84.8%	3.8%
By age:			
Under 35	20.0	80.0	--
35 & older	9.7	85.7	4.5
Income (000)			
Under $25	13.8	82.5	3.7
$25-$35	13.0	83.2	3.8
$35 +	4.8	92.4	2.9
Where most shoes are purchased:			
Downtown business section	10.4	85.7	3.9
Shopping center/mall	10.2	86.6	3.2
Suburban/neighborhood stores	21.0	75.8	3.2
Expect to buy 3 or more pairs of shoes in the next 12 months	11.8	85.7	2.5
Fashion forerunner (concerned with newest look)	14.8	81.5	3.7
Working	11.7	84.2	4.2
Not working	11.2	85.3	3.4

BUYING HABITS--WOMEN

Among women who consider discount stores as offering the best value in shoes, newspaper advertising was the chief source of information on discount store offerings.

Sources of Information On Discount Stores' Shoe Offerings

Total respondents who feel discount stores offer best value in shoes	100.0%
Newspaper advertising	61.4
Shopping the stores	26.3
Mailings by the stores	17.5
Word-of-mouth, friends/relatives	14.0
Television	7.0
Radio	5.3

Most women reporting in the Footwear News Magazine survey, conducted by Home Testing Institute, said they buy most of their footwear in shopping centers or malls (68.6%). The percentage was highest among women with incomes of $35,000 or more (76.2%) and women under 35 years of age (72%). Stores in downtown business areas were the second most frequently mentioned location, particularly among women who do not have any children under 18 at home (19.9%), and by women who want to be in the forefront of fashion (18.5%).

Shoe retailers in suburban or neighborhood areas are favored by 12.4%, overall and by a higher percentage of women without children (16.3%).

Location of Stores Where Survey Respondents Buy Most Footwear
(Percent of Respondents)

		Age		Household Income (thous.)			Fashion
	Total	Under 35	35 +	Under $25	$25-$35	$35 & over	Forerunner
Total respondents	500	75	421	246	131	105	54
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
In a downtown business area	15.4	13.3	15.9	15.4	16.8	15.2	18.5
In a shopping center or mall	68.6	72.0	67.9	67.9	64.1	76.2	75.9
In a suburban or neighborhood store	12.4	14.7	11.9	13.4	13.7	8.6	3.7
In a shopping strip	3.0	4.0	2.9	2.8	3.8	1.9	1.9
Buy mostly by mail	5.6	1.3	6.2	5.3	6.1	3.8	--
No answer	0.2	--	0.2	--	0.8	--	--

Note: Columns may not add to 100% due to multiple responses.

BUYING HABITS--TEENS' FOOTWEAR

The FN Magazine survey revealed that mothers with children under 18 at home are much more likely to buy shoes for themselves in a shopping center than are women without children, although this was the location for shoe purchases most frequently mentioned in both instances.

Women who do not have any children at home are more likely than other women surveyed to buy their footwear in downtown stores and in suburban or neighborhood stores, in shopping strips, or to buy their shoes by mail.

It should be noted, however, that the characteristics of women in the survey sample who did not have children at home under 18 years of age differed from these with children in other terms. The former included a higher percentage of women 50 years of age and over (57% vs. 14.5%); a greater percentage who were not working (58% vs. 42%) and who had incomes under $18,000 (26% vs. 19%). Only 16% of the women with no children under 18 at home who were covered in the survey had household incomes of $35,000 or more, compared with 23% of the women with children.

Shopping centers seem to command more loyalty than noted for other locations. Among the mothers of teenagers (boys and girls) who buy most of their own shoes in shopping centers, close to 88% buy most of their teen children's shoes in centers or malls. Among mothers who buy most of their own shoes in suburban or neighborhood stores, 74% also buy their teens' shoes there; the comparable percent among downtown business area shoppers, 62%.

Location for Most Shoe Purchases--For Mothers & For Children
(Percent of Respondents)

	Own Shoe Purchases By Women		Shoe Purchases By Mothers of Teenagers (13-17)--			
	With No Children Under 18 At Home	With Children Under 18 At Home	Girls		Boys	
			For Self	For Daughter	For Self	For Son
No. of respondents	141	359	174	174	172	172
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Where most shoes are purchased						
In a downtown business area	19.9	13.6	13.8	12.1	12.8	14.0
In a shopping center or mall	59.6	72.1	70.7	73.6	73.8	68.6
In a suburban or neighborhood store	16.3	10.9	12.1	11.5	10.5	16.3
In a "shopping strip"	3.5	2.8	2.3	2.9	3.5	1.2
Usually by mail order	8.5	4.5	1.7	1.7	7.0	0.6
No answer	0.3	--	0.6	--	--	--

Note: Columns may add to more than 100.0% due to multiple responses.

Source: Home Testing Institute Survey for
Footwear News Magazine
(September 1981)

BUYING HABITS--TEENS' FOOTWEAR

Stores in shopping centers or malls are shopped for teen boys' to a lesser degree than noted for girls'; on the other hand, suburban or neighborhood stores and those in downtown business areas register stronger among mothers' reporting on shoe purchases for sons--stronger than noted in the pattern on mothers' own shoe purchases.

In the Footwear News Magazine survey, mothers were asked to evaluate the factors they consider important in selecting athletic shoes for teenage sons and daughters. Based on a scale of zero (of no importance) to 10 (most important), fit and how comfortable the child finds the shoe topped the list of considerations, followed by the mothers' own past experience with the shoe type, then by the look of the shoe.

The pattern in responses was similar for both girls' and boys' athletic shoes.

Importance To Mothers of Various Considerations In Selecting Athletic Shoes Based on a Rating Scale of 0 - 10

	For Girls 13-17 Years			For Boys 13-17 Years		
	Average Score	% of Respondents Rating 8 - 10 (Very Impt.)	% of Respondents Rating 0 - 3 (Unimportant)	Average Score	% of Respondents Rating 8 - 10 (Very Impt.)	% of Respondents Rating 0 - 3 (Unimportant)
1. Fit/how comfortable the child finds it	9.56	96.6%	1.0%	9.77	95.9%	--
2. Own past experience	7.43	64.4	10.3	7.80	66.9	7.0%
3. The look (style, color)	7.42	62.1	6.8	7.68	61.0	4.1
4. The brand name	5.64	32.7	27.6	6.37	44.2	20.4
5. The stores' or salesmen's recommendation	4.27	16.6	39.6	4.82	24.4	23.2
6. A friend's recommendation	3.60	9.8	45.9	3.46	10.5	47.7
7. A sports personality's endorsement	2.36	8.0	71.8	2.27	6.4	70.4

A sports personality's endorsement generally rated least in importance among the seven factors mothers were asked to rate in buying athletic shoes for a teenage son or daughter.

In order of frequency of mentions, the top three outlet types named by mothers of teenage boys on where their athletic footwear (including sneakers) is usually purchased were department stores, sporting goods stores and shoe stores--each very close in the percent of respondents. Among mothers of teen girls, shoe stores were most frequently mentioned, followed by department stores and sporting goods stores.

There was considerable variation in the pattern of responses, however, based on household income as well as on the locations of stores where the teenagers' shoes are usually purchased.

BUYING HABITS--TEENS' FOOTWEAR

Sporting goods stores were favored for athletic shoe purchases for both boys and for girls by mothers in the more affluent households (income of $35,000 or more) and those shopping in suburban or neighborhood stores. Shoe stores were mentioned most frequently by mothers with incomes under $35,000 and by those usually buying teens' footwear in downtown business locations. Athletic footwear stores were strongest among respondents in households with incomes of $35,000 and over, and those who usually bought their child's shoes in a shopping center or mall.

Usual Place of Purchase of Athletic Footwear (Including Sneakers)
(Percent of Respondents)

	Household Income (000)				Usual Place of Purchase of Teenagers' Footwear		
	Total	Under $25	$25-34.9	$35 +	Downtown Bus. Sect.	Shopping Center/Mall	Suburbs/ Neighborhood
For girls 13-17, total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Shoe store	32.2	34.2	37.0	23.8	52.4	29.7	30.0
Department store	26.4	30.3	29.6	16.7	14.3	28.1	20.0
Sporting goods store	24.1	18.4	22.2	35.7	23.8	23.4	35.0
Athletic footwear store	13.2	10.5	9.3	23.8	4.8	16.4	10.0
Discount store	8.0	6.6	11.1	4.8	4.8	8.6	10.0
Mail order & other	2.3	3.9	1.9	--	--	1.6	--
For boys 13-17, total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Department store	26.2	31.0	21.4	22.5	8.3	26.3	39.3
Sporting goods store	25.0	15.5	28.6	35.0	25.4	25.4	32.1
Shoe store	24.4	31.0	26.2	12.5	41.7	23.7	10.7
Athletic footwear store	15.7	14.3	16.7	20.0	12.5	18.6	7.1
Discount store	7.6	7.1	7.1	7.5	8.3	7.6	7.1
Mail order & other	4.1	2.4	7.2	5.0	8.3	0.8	10.7

Note: Columns may add to more than 100.0% due to multiple responses.

Mothers who do not usually buy their teens' athletic footwear in a discount store were asked if they usually pay a regular price or wait for sales or look for athletic footwear that is on sale.

Over half (54.6%) of the mothers of teen girls and 47.7% of the mothers of teen boys said they usally pay the regular price for athletic footwear. Those paying the regular price for girls' athletic shoes represented well over half of all respondents in each income group--rising to close to 60% among mothers in the $35,000-plus bracket.

Among mothers of teen boys, however, close to 55% of those in the under $25,000 income group reported that they usually wait for sales, or look for sale prices, when buying their athletic footwear.

BUYING HABITS--TEENS' FOOTWEAR

A survey was conducted by mail in September 1982 by Seventeen Magazine among teenagers currently attending high school or college to determine information on apparel and footwear purchases for fall/winter wardrobes.

Results were projected to a total of 8,655,000 teenage-female students in the U.S.

	Number Purchasing (000)	Pairs Purchased (000)	Expenditure (000)
Total girls buying any footwear	8,172	31,315	$ 1,004,756
Total buying shoes	8,019	27,358	769,504
Total buying boots	2,762	3,957	235,252
Types of footwear purchased:			
Casuals	6,315	8,056	227,594
Dress	5,089	6,260	198,167
Sandals/thongs	1,941	2,422	43,562
Clogs	797	837	23,570
Sneakers -- jogging	2,814	3,216	97,421
-- tennis	2,632	2,971	85,296
Wooden bottom (not clogs)	212	250	6,400
Formal evening	752	962	36,224
Moccasin-type shoes	1,487	1,730	43,554
Slippers	522	654	7,716
Boots	3,591	3,957	235,252

Source: Seventeen's Back-To-School Study, 1983

FAIRCHILD FACT FILES AVAILABLE FOR 1983

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1982 Edition available now -- 1983 Edition will be available in January, 1984)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1982 Edition available now -- 1983 Edition will be available in December, 1983)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month. (September)

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (November)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (August)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits. (Special Fact File for 1983, $15.00)

SOFT SURFACE FLOOR COVERINGS: Trends in the number of manufacturers, on production and value of shipments of major types of soft surface floor coverings, and foreign trade, are covered in this report. Retailing information includes departmental merchandising and operating results, estimated volume by type of outlet and trends in consumer buying.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (Special Fact File for 1982, $15.00)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (October)

TOILETRIES, BEAUTY AIDS, COSMETICS AND FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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Men's Tailored Clothing, Separates and Rainwear

FAIRCHILD FACT FILE

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TABLE OF CONTENTS

Page
MARKET TRENDS.. 1

AT THE MANUFACTURER LEVEL:

GENERAL STATISTICS ON THE INDUSTRY........................ 2
  EMPLOYMENT & EARNINGS........................ 4
  CONCENTRATION IN THE INDUSTRY........................ 4
  OPERATING RATIOS........................ 6
PRODUCTION........................ 7
  BY PRICE LINE........................ 9
  BY FABRIC/CONSTRUCTION........................10
  SEASONAL PATTERNS IN PRODUCTION........................12
SHIPMENTS........................12
PRODUCER PRICE TRENDS........................14
FOREIGN TRADE--IMPORTS........................14
FOREIGN TRADE--EXPORTS........................18

AT THE RETAIL LEVEL:

THE MARKET FOR MEN'S WEAR........................20
  POPULATION........................20
  EMPLOYMENT........................21
RETAIL SALES........................21
  BY PRODUCT........................23
  BY STORE TYPE........................24
  SEASONAL PATTERNS........................27
RETAIL ADVERTISING........................27
CONSUMER PRICE INDEX........................28
CONSUMER BUYING HABITS........................28

SCHEDULE OF ADDITIONAL FACT FILES........................32

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E. B. Gold, Manager
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MEN'S TAILORED CLOTHING, SEPARATES & RAINWEAR

Market Trends

After poor performances for several years, the men's tailored wear industry is finally showing signs of recovery as the fall 1983 season begins and the economy appears to be well on its way to recovery. Most industry analysts report that consumers, who had been holding off purchases of tailored wear due to the poor economy, are now returning to the market in droves.

Although sales for 1982 were generally off according to men's apparel retailers, not all segments of the tailored industry suffered equally. The men's suit segment registered extremely poor sales in the moderate and budget areas, but the upper-priced area registered respectable gains, according to industry insiders. The sport coats & separates areas also registered gains in 1982 due to the desire of consumers to update older wardrobes in an economical way.

Most manufacturers of tailored clothing see imports as the greatest difficulty facing the industry today. In 1982, imports of tailored wear increased by 12.2% on a unit basis and 14.7% on a dollar basis while exports were off by better than 30% on both these measures during this same period. The high value of the U.S. dollar is seen as one of the major causes for the foreign trade situation as well as the extreme labor intensiveness of the industry. As labor cost differences between domestic producers and developing countries continue to widen, analysts see the trend toward more imports from less expensive developing countries continuing. Another factor affecting the foreign trade situation, is the changing perception of consumers of foreign goods. Studies indicate that consumers are now perceiving most foreign produced goods as of equal or better quality than domestic goods and are less likely to run away from imports for this reason, particularly goods produced in France and Italy.

Designer labels are growing in the men's clothing industry. Trade sources estimate that they now cover about 20-25% of the total, and in higher priced tailored clothing, as much as 40% of the market. Designer-label clothing includes both imports and domestic merchandise. Manufacturers are seeking to broaden their retail distribution programs through the use of designer labels and licensing arrangements. Among specialty stores there is a growing tendency to emphasize the stores' private labels or very high priced designer lines.

One bright spot for the tailored wear industry is the demographics associated with this market. The number of males between 35 and 54, the group most likely to purchase tailored wear, is expected to increase by 58% between 1983 and 2000. Along with this increase is a traditional increase in the number of males employed in white collar jobs. Between December 1981 and 1982, when the latest recession was at its peak, the number of males employed in white collar jobs increased 1.3% reaching a total of 24.5 million. By contrast, the number of blue collar males fell 5.2% to 21.5 million during this same period.

The traditionally stagnant rainwear industry is currently enjoying a banner year in 1982 due to the severe weather conditions which ravaged the country in the winter and spring of this year. Most retailers reported sales increases of better than 20% for the rainwear categories in the spring, with many reporting that retailers are placing large orders for the fall season due to low inventory levels created by the spring rush on the category.

AT THE MANUFACTURER LEVEL

GENERAL STATISTICS ON THE INDUSTRY

The U.S. Bureau of the Census conducts a complete census of U.S. manufacturers every five years, the latest covering the year 1977. Between censuses, the Bureau conducts annual surveys among a representative sample of manufacturers which are the basis for estimates on key measures of manufacturing activity for industry groups and important industries. These estimates provide a continuous series of basic industry statistics. Results from the most recent annual survey covering the year 1981 are summarized in the tables below.

In addition to the annual surveys, the Bureau of Industrial Economics reports on manufacturing activity in the 1983 Industrial Outlook. This source estimates that in 1982, manufacturers' shipments of men's and boys' suits and coats reached $3.2 billion, while shipments in the men's & boys' trousers area were estimated at about $2.3 billion in that same year.

Men's & Boys' Suits & Coats (SIC 2311*)

	1981	1980	1977	% Change 1981/1980
Number of companies	na	na	721	--
Number of establishments**	na	582	856	--
Payroll (mil. $)	$ 878.6	$ 833.5	$ 770.3	+ 5.4%
Value added by manufacture# (mil. $)	$1,631.2	$1,567.0	$1,342.2	+ 4.1
Value of shipments ## (mil. $)	$3,024.2	$2,807.0	$2,396.9	+ 7.7
Capital expenditures, new (mil. $)	$ 35.9	$ 29.8	$ 22.5	+ 20.5

Men's & Boys' Separate Trousers (SIC 2327*)

	1981	1980	1977	% Change 1981/1980
Number of companies	na	na	463	--
Number of establishments**	na	na	624	--
Payroll (mil. $)	$ 543.8	$ 528.1	$ 439.3	+ 3.0%
Value added by manufacture # (mil. $)	$1,132.3	$1,102.0	$ 784.9	+ 2.7
Value of shipments ## (mil. $)	$2,152.1	$2,006.6	$1,745.0	+ 7.3
Capital expenditures, new (mil. $)	$ 22.5	$ 20.5	$ 22.2	+ 9.8

Waterproof Outer Garments (SIC 2385*)

	1981	1980	1977	% Change 1981/1980
Number of companies	na	na	236	--
Number of establishments**	na	125	257	--
Payroll (mil. $)	$ 68.3	$ 102.3	$ 86.4	- 33.3%
Value added by manufacture # (mil. $)	$ 188.1	$ 216.7	$ 168.8	- 13.2
Value of shipments ## (mil. $)	$ 377.5	$ 376.5	$ 332.1	+ 0.3
Capital expenditures, new (mil. $)	$ 4.1	$ 3.6	$ 2.4	+ 13.9

(footnotes continued)

GENERAL STATISTICS ON THE INDUSTRY

na = not available

*Manufacturers are classified by industry under the Standard Industrial Classification system (SIC) determined by the principal product made, as shown below:

SIC 2311 comprises establishments primarily engaged in manufacturing men's, youth's, and boys' suits, coats and overcoats, as well as tailored dress and sport coats. Establishments primarily engaged in manufacturing uniforms (military, policemen's, firemen's, etc.) are also included. Those manufacturers engaged primarily in making work and sport garments are not included.

SIC 2327 comprises establishments primarily engaged in manufacturing men's, youth's and boys' separate slacks and trousers.

SIC 2385 comprises establishments primarily engaged in manufacturing raincoats from purchased rubberized fabrics and other waterproof outer garments made from such material as pliofilm and cellophane. The industry includes manufacturers of garments for men, women and children.

**Each business location is counted as a separate establishment.

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value of measure of individual industries.

##Value of shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). The total value of specific products shipped by both those classified in the industry (primary producers) and by secondary producers (who are classified in other industries) is covered on page 13 for the latest years available.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977,
Annual Survey of Manufactures, 1980, 1981.

GENERAL STATISTICS ON THE INDUSTRY

Employment & Earnings

Employment in both measured sections of the men's and boys' tailored wear industry continued to decline through 1982 and into 1983, according to data from the U.S. Bureau of Labor Statistics. The total number of employees in the men's and boys' suit and coat segment fell 3.0% in 1982 to 74,200 workers, while those manufacturers of separate trousers registered an even larger decline of 5.3% to 67,700 employees.

During the first quarter in 1983 the decline in the number of employees in the tailored wear industry accelerated. The suit and jacket group measuring a 10.7% decline from the totals of a year earlier and the separate trouser group dropped 4.6%.

Employment & Earnings of Selected Men's & Boys' Tailored Wear Industries

	January-March Average			Annual Averages		
	1983	1982	% Change 1983/1982	1982	1981	% Change 1982/1981
Men's & boys' suits & coats:						
All employees (thous.)	68.6	76.8	- 10.7%	74.8	76.7	- 2.5%
Production workers (thous.)	60.1	67.0	- 10.3	65.4	67.1	- 2.5
Average weekly earnings	$207.41	$204.08	+ 1.6	$209.75	$207.64	+ 1.0
Average weekly hours	33.8	33.5	+ 0.9	34.9	36.3	- 3.9
Average overtime hours	0.4	0.9	- 55.6	0.7	0.7	--
Men's & boys' separate trousers:						
All employees (thous.)	66.4	69.6	- 4.6	65.8	70.9	- 7.2
Production workers (thous.)	57.4	59.3	- 3.2	57.2	61.9	- 7.6
Average weekly earnings	$181.28	$161.04	+ 12.6	$169.27	$168.59	+ 0.4
Average weekly hours	36.1	33.0	+ 9.4	34.9	36.1	- 3.3
Average overtime hours	1.1	0.6	+ 83.3	1.0	0.9	+ 11.1

Source: U.S. Bureau of Labor Statistics, Employment and Earnings.

Concentration in the Industry

Employment in the men's tailored clothing industry is highly concentrated in larger plants, according to data from the U.S. Bureau of the Census. In 1980, only 18.5% of all plants manufacturing men's and boys' suits and coats had more than 250 employees, yet these plants accounted for almost two-thirds of the employees in the industry in that year. Likewise, in the separate trousers segment, large plants represented 22.4% of the total establishments and employed 60.8% of the group's work force.

GENERAL STATISTICS ON THE INDUSTRY

Concentration in the Industry

The waterproof outer garment segment appears to be only slightly less concentrated than the previous mentioned segments. Data for 1980 on employment by establishment size is not completely available for 1980, but the 1977 census of manufacturers indicated that establishments with 250 or more employees represented 6.0% of all plants and 38.3% of employees.

The Men's Tailored Apparel Industry by Employment Size, 1980

	Establishments		Employees	
	Number	% of Total	Number	% of Total
Men's & boys' suits & coats, total	582	100.0%	87,726	100.0%
By establishment size:				
Under 10 employees	136	23.4	655	0.7
10 - 49 employees	142	24.4	3,813	4.3
50 - 249 employees	196	33.7	26,538	30.3
250 or more employees	108	18.5	56,720	64.7
Separate trousers, total	393	100.0%	69,052	100.0%
By establishment size:				
Under 10 employees	74	18.8	348	0.5
10 - 49 employees	78	19.8	2,279	3.3
50 - 249 employees	153	38.9	21,464	31.1
250 or more employees	88	22.4	41,961	60.8
Waterproof outer garments, total	125	100.0%	10,324	100.0%
By establishment size:				
Under 10 employees	32	25.6	(D)	na
10 - 49 employees	42	33.6	1,219	11.8
50 - 249 employees	38	30.4	4,294	41.6
250 or more employees	13	10.4	(D)	na

Source: U.S. Bureau of the Census,
County Business Patterns, 1980,
(CBP-80-1).

The latest government data on concentration of shipments in the men's & boys' tailored clothing and rainwear industries comes from the 1977 Census of Manufactures, published by the U.S. Bureau of the Census. The Bureau reported that in 1977 the four largest manufacturers of men's and boys' suits accounted for 21% of the industries total shipments. In the men's and boys' separate trousers segment, the four largest manufacturers represented 25% of total shipments, while in rainwear the same number of producers accounted for a whopping 41% of the industries total shipments.

GENERAL STATISTICS ON THE INDUSTRY

Concentration in the Industry

Concentration Ratios in the Men's Tailored Wear Industry, 1977

	Value of Industry Shipments (Mil. $)	Percent accounted for by:			
		4 largest companies	8 largest companies	20 largest companies	50 largest companies
Men's & boys' suits & coats (SIC 2311*)	$2,767.5	21%	32%	48%	67%
Men's & boys' separate trousers (SIC 2327*)	$1,718.0	25	40	59	77
Waterproof outer garments (SIC 2385*)	$ 348.8	41	52	70	90

* = For definitions of SIC codes see page 3.

Source: U.S. Bureau of the Census,
Census of Manufacturers, 1977,
Concentration Ratios in Manufacturing,
MC77-SR-9.

Employment & Share of Shipments in Large Plants in the Men's Tailored Apparel Industry, 1981

	Number of Plants		% of industry shipments accounted for by plants with 100 or more employees
	With 20+ Employees	With 100+ Employees	
Men's & boys' suits & coats (SIC 2311*)	437	262	91%
Men's & boys' separate trousers (SIC 2327*)	376	287	94%
Waterpoof outer garments (SIC 2385*)	96	38	100%

* = For definition of SIC codes see page 3.

Source: Sales and Marketing Management
"Survey of Industrial Buying Power"
April, 1982
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Operating Ratios

The following financial data were compiled by the Federal Trade Commission, in its Annual Line of Business Report, released May 1982.

GENERAL STATISTICS ON THE INDUSTRY

Operating Ratios

Operating Results of Men's & Boys' Suit & Coat Producers, 1976

	Men's & Boys' Suits & Coats
Operating income to assets	10.3%
Operating income to sales	5.6
Media advertising expense to sales	1.0
Total selling expense to sales	7.0
Total assets to sales	54.6

Source: Federal Trade Commission,
Bureau of Economics,
Annual Line of Business Report, 1976.

PRODUCTION

The latest official government data concerning domestic production of men's tailored clothing and rainwear is contained in the Current Industrial Reports series, published by the U.S. Bureau of the Census, covering the years 1981 and 1982. The bureau reported that between 1981 and 1982, unit production of men's tailored wear was off by 7.0% falling to 144,757,000 units.

No major category of tailored wear registered an increase in production during the measured period although two groups of uniform type tailored wear did record gains (sport coats & jackets and overcoats). The largest decline in the time frame was in the separate vests, excluding sweater vests group whose cuttings declined by 31.9% falling to 2.2 million units.

Production of Men's Tailored Clothing & Rainwear, 1981, 1982
(Thousands of Units)

	1982	1981	% Change 1982/1981
Tailored clothing	144,757	151,707	- 4.6%
Tailored suits, incl. uniforms	11,735	13,922	- 15.7
Trios	439	609	- 27.9
Uniform suits	242	298	- 18.8
Overcoats, topcoats & tailored suburban & car coats, incl. uniform	2,590	3,193	- 18.9
Uniform coats	307	290	+ 5.9

(continued)

PRODUCTION

Production of Men's Tailored Clothing & Rainwear, 1981, 1982

(Thousands of Units)
(continued)

	1982	1981	% Change 1982/1981
Tailored suit-type dress & sport coats, incl. uniform	16,477	17,140	- 3.9%
Uniform coats & jackets	1,475	1,444	+ 2.1
Separate vests, exc. sweater vests	2,206	3,237	- 31.9
Separate dress & sport trousers, incl. uniform	111,749	118,215	- 5.5
Uniform	5,934	6,281	- 5.5
Men's & boys' raincoats, incl. uniform	2,980	3,280	- 9.1

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(82)-1.

Explanation of terms:

Tailored uniform suits
Includes military, guards, band, police, fire, etc. Nontailored work-type suits, such as delivery drivers and gas station attendants are included in other categories.

Trios
Includes tailored suits with a matching and contrasting pair of pants.

Overcoats, topcoats & tailored suburban, car & stormcoats
Includes only tailored items including uniform, reversible, zipper-lined, fingertip, and wool water-repellent coats, excludes raincoats.

Raincoats
Includes waterproof outercoats and water-repellent coats of cotton and man-made fibers including uniforms.

Separate vests including uniform
Includes vests not part of suits, excludes sweater vests.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(81)-1

PRODUCTION

By Price Line

Although the production of tailored wear was off in 1982 as noted in the previous table, not all price lines suffered declines during the period. Upper priced categories consistently registered increases in production between 1981 and 1982. Suits with wholesale prices of over $150.00 registered an increase of 72.8%, while dress & sport coats of $62.50 and above were up 13.4% and dress trousers factory priced over $12.50 marked an increase of 5.5%.

Most analysts concur that the recession of 1981/82 was the reason for the growth of better priced tailored clothing. The economic downturn had a much greater effect on lower income groups and thus lower priced apparel suffered while production of more expensive groups remained strong.

Production of Men's Tailored Wear by Factory (Wholesale)
Price Line, 1981, 1982
(Thousands of Units)

	1982	1981	% Change 1982/1981	Percent of total 1982
Tailored suits, including uniforms	11,735	13,922	- 15.7%	100.0%
Under $50.00	784	3,042	- 74.2	6.7
$50.00 - $62.49	1,739	2,932	- 40.7	14.8
$62.50 - $99.99	4,348	3,846	+ 13.1	37.0
$100.00 - $149.99	2,353	2,876	- 18.2	20.1
$150.00 & over	2,084	1,206	+ 72.8	17.8
Price line unspecified	427	1,020	- 58.1	3.6
Suit-type dress & sports coats	16,477	17,140	- 3.9	100.0
Under $24.00	919	1,247	- 26.3	5.5
$24.00 - $37.49	4,942	5,356	- 7.7	30.0
$37.50 - $44.99	3,091	3,050	+ 1.3	18.8
$45.00 - $57.49	1,770	2,055	- 13.9	10.7
$57.50 - $62.49	680	616	+ 10.4	4.1
$62.50 & over	4,513	3,982	+ 13.3	27.4
Price line unspecified	562	834	- 32.6	3.5
Dress & sport trousers	111,749	118,215	- 5.5	100.0
Under $4.25	920	718	+ 28.1	0.8
$4.25 - $5.00	1,036	742	+ 39.6	0.9
$5.00 - $8.99	23,604	31,078	- 24.0	21.1
$9.00 - $12.49	47,963	45,126	+ 6.3	42.9
$12.50 & over	37,828	35,839	+ 5.5	33.9
Price line unspecified	398	4,712	- 91.6	3.6

NOTE: Production of rainwear by price line was not reported by the Census Bureau for 1981 or 1982.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(82)-1

PRODUCTION

By Fabric/Construction

The distribution of 1981 and 1982 cuttings of men's tailored clothing by type of fabric and construction, based on manufacturers reporting to the Census Bureau, is covered in the following table.

Production of Reported Types of Men's Tailored Wear By Fabric & Construction, 1981, 1982

	1982	1981	% Change 1982/1981	Percent of total 1982
Tailored suits, including uniforms	11,735	13,927	- 15.7%	100.0%
By fabric:				
Woven:				
All cotton & chiefly cotton	159	440	- 63.9	1.3
Man-made/wool blends, chiefly man-made	3,867	4,579	- 15.5	33.0
All man-made & chiefly man-made, except man-made/wool blends	3,058	4,179	- 26.8	26.1
All wool & chiefly wool	3,475	3,252	+ 6.9	29.6
All other woven fabrics	236	321	- 26.5	2.0
Knit:				
All cotton & chiefly cotton	--	--	--	--
All man-made & chiefly man-made	548	596	- 8.1	4.7
All other knit fabrics	392	556	- 29.5	3.3
Overcoats, topcoats & tailored suburban & car coats, including uniform	2,590	3,193	- 18.9	100.0
By fabric:				
All man-made & chiefly man-made	1,025	1,526	- 32.8	39.6
All wool & chiefly wool	755	748	+ 0.9	29.2
All other fabric	810	928	- 12.7	31.2
By construction:				
Woven	2,312	2,906	- 20.4	89.3
Knit Construction unspecified	278	287	- 3.1	10.7
Men's & boys' raincoats, incl. uniform	2,980	3,280	- 9.1	100.0
By fabric:				
Plastic Rubberized &/or coated fabric	1,588	1,688	- 5.9	53.3
Uncoated fabric:				
All cotton & chiefly cotton	29	90	- 67.8	1.0
All man-made & chiefly man-made	1,083	1,318	- 17.8	36.3
All other uncoated fabric	159	133	+ 19.5	5.3
All other fabric	121	51	+137.3	4.1

(continued)

PRODUCTION

By Fabric/Construction

Production of Reported Types of Men's Tailored Wear By Fabric & Construction, 1981, 1982 (continued)

	1982	1981	% Change 1982/1981	Percent of total 1982
Tailored suit-type dress & sport coats	16,477	17,140	- 3.9%	100.0%
By fabric:				
Woven				
All cotton & chiefly cotton	756	417	+ 81.3	4.6
Man-made/wool blends, chiefly man-made	4,083	2,819	+ 44.8	24.8
All man-made & chiefly man-made, except man-made wool/blends	5,706	6,528	- 12.6	34.5
All wool & chiefly wool	4,130	4,594	- 10.1	25.1
All other woven fabric	476	586	- 18.8	2.9
Knit fabric:				
All cotton & chiefly cotton	--	--	--	--
All man-made & chiefly man-made	370	725	- 49.0	2.3
Fabric unspecified	956	1,471	- 35.0	5.8
Separate vests, excluding sweater vests	2,206	3,237	- 31.9	100.0
By fabric:				
All cotton & chiefly cotton	164	315	- 47.9	7.4
All man-made & chiefly man-made	1,331	2,204	- 39.6	60.3
All wool & chiefly wool	84	115	- 27.0	3.9
All other fabric	108	156	- 30.8	4.9
Fabric unspecified	519	447	+ 16.1	23.5
By construction:				
Woven	1,972	3,045	- 35.2	89.4
Knit Construction unspecified	234	192	+ 21.9	10.6
Separate dress & sport trousers, including uniform	111,749	118,215	- 5.5	100.0
By fabric:				
Woven:				
All cotton & chiefly cotton	13,772	12,283	+ 12.1	12.3
Man-made/wool blends, chiefly man-made	11,745	9,052	+ 29.8	10.5
All man-made & chiefly man-made, except man-made/wool blends	64,125	72,772	- 11.9	57.4
All wool & chiefly wool	6,548	6,431	+ 1.8	5.9
All other fabrics	6,482	6,049	+ 7.2	5.8
Knit fabric:				
All man-made & chiefly man-made	7,645	7,689	- 0.6	6.8
Fabric unspecified	1,396	3,939	- 64.6	1.3

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(82)-1

PRODUCTION

Seasonal Patterns in Production

The table below shows the 1980 and 1981 distribution by months in specified types of tailored wear, as reported in the Current Industrial Reports. Data on cuttings by month for 1982 are not available.

Men's Tailored Wear
Percent of Years Cuttings by Month, 1980, 1981

	Suits		Overcoats & topcoats		Sport & dress coats		Trousers	
	1981	1980	1981	1980	1981	1980	1981	1980
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January	11.3	8.8	6.2	7.0	7.8	6.5	7.1	7.9
February	6.7	8.4	7.6	7.4	8.6	7.0	7.4	8.1
March	8.3	8.2	8.6	9.0	8.3	7.9	8.4	9.1
April	8.4	9.2	8.7	8.4	8.9	9.7	8.8	8.9
May	9.0	8.7	8.3	11.0	8.1	9.1	9.0	8.4
June	9.1	7.7	7.9	10.8	8.8	9.7	8.6	8.2
July	6.0	5.8	8.1	6.8	6.6	6.8	6.3	5.2
August	8.2	8.3	10.0	8.0	8.1	7.9	9.3	9.3
September	8.5	8.7	10.2	8.1	10.1	9.7	9.2	9.3
October	9.0	10.1	9.9	8.9	9.4	10.1	9.3	10.3
November	8.0	8.5	7.4	8.3	8.0	8.4	8.6	8.7
December	7.5	7.6	7.1	6.3	7.3	7.2	8.0	6.6

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E (81)-1
(December 1982)

SHIPMENTS

The Census Bureau reported in the Current Industrial Report on men's & boys' outerwear that shipments of men's tailored clothing was $3.7 billion in 1982, 1.3% less than the total measured in the previous year.

Two of the six measured categories of tailored wear and rainwear recorded increases in the value of their shipments between 1981 and 1982. While rainwear recorded a 4.8% increase to $116.6 million, the largest category, separate dress and sport trousers had a 2.6% gain reaching $1,413.8 million in shipments.

The largest decline in value of shipments was recorded by the separate vests group, off by 28.9% followed by overcoats and topcoats (-12.9%).

SHIPMENTS

Value of Shipments of Reported Men's Tailored Wear Categories, 1981, 1982
(Millions of Dollars)

	1982	1981	% Change 1982/1981
Total, all reported tailored wear	$3,655.9	$3,702.8	- 1.3%
Tailored suits, including uniform	1,103.5	1,144.4	- 3.6
Overcoats, topcoats & tailored suburban & car coats, including uniform	121.8	139.9	- 12.9
Men's & boys' raincoats, incl. uniform	116.6	111.3	+ 4.8
Tailored suit-type dress & sport coats, including uniforms	873.2	891.1	- 2.0
Separate dress & sport trousers, including uniform	1,413.8	1,378.1	+ 2.6
Separate vests, excluding sweater vests	27.0	38.0	- 28.9

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(82)-1

The most comprehensive figures on shipments (including both primary producers and manufacturers classified in other industries) are covered in the complete census of manufactures, compiled by the Census Bureau at five year intervals, in years ending in "2" and "7". In interim years, the Census Bureau issues reports in an annual survey of manufactures which is based on a sample of manufacturing firms and adjusted for comparability with the complete census. The results of the latest annual survey are summarized below.

The Census Bureau reports that between 1980 and 1981, the value of shipments of men's tailored wear increased 5.9% reaching a total of $2.7 billion. The fastest growing category during this period was men's dress & sport coats and jackets, in which value of shipments rose 14.8%.

Tailored Wear & Rainwear Shipments by All Producers 1979-1981

	1981	1980	1979	% Change 1981/1980	% Change 1981/1979
Tailored wear, total	$ 2,706.3	$ 2,555.4	$ 2,515.1	+ 5.9%	- 7.6%
Men's suits	1,142.1	1,113.2	1,174.6	+ 2.6	- 2.8
Men's overcoats & topcoats	138.1	143.3	147.5	- 3.6	- 6.3
Men's tailored dress & sport coats & jackets	885.9	771.6	660.6	+ 14.8	+ 34.1
Commission work on men's & boys' suits & coats	455.3	442.5	485.8	+ 2.9	- 6.3
Men's & boys' suits, coats & overcoats, nsk	84.9	84.8	46.6	+ 0.1	+ 82.2
Separate trousers, total	1,990.5	1,838.2	1,792.7	+ 8.3	+ 11.0
Men's & boys' separate dress & sport trousers	1,584.5	1,442.6	1,433.8	+ 9.8	+ 10.5
Contract work on men's & boys' separate trousers	378.9	370.2	370.2	+ 2.4	+ 2.4
Separate trousers, nsk	27.0	25.4	25.5	+ 6.3	+ 5.9
Waterproof outer garments, total	435.7	447.4	383.6	- 2.6	+ 13.6
Commission work on waterproof outer garments	41.7	47.1	54.8	- 11.5	- 23.9
Raincoats & other waterproof outer garments	412.0	400.3	328.8	+ 2.9	+ 25.3

nsk = not specified by kind

Source: U.S. Bureau of the Census
Annual Survey of Manufactures, 1981.

PRODUCER PRICES

Producer Price Indexes for Selected Types of Men's Tailored Wear
(12/80 = 100, unless otherwise noted)

	April 1983	April 1982	% Change 1983/1982
All commodities (1967 = 100)	300.8	298.0	+ 0.9%
Apparel less footwear (1967 = 100)	194.7	194.1	+ 0.3
Menswear (12/77 = 100)	221.1	219.2	+ 0.9
Business-type sport coats of cotton or cotton blends	110.6	106.2	+ 4.1
Business-type sport coats of other fabrics	109.7	106.5	+ 3.0
Regular weight suits of cotton or cotton blends	114.1	111.7	+ 2.1
Lt. weight suits of other fabrics	112.0	107.7	+ 4.0
Trousers, exc. uniform of cotton or cotton blend (12/81 = 100)	101.2	103.2	- 1.9
Trousers, exc. uniform of wool or wool blends (12/81 = 100)	103.5	100.8	+ 2.7
Trousers, exc. uniform of other fabrics (12/81 = 100)	112.0	107.7	+ 4.0

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

FOREIGN TRADE

Imports

According to the U.S. Bureau of Industrial Economics (1983 Industrial Outlook), U.S. imports of men's & boys' suits and coats accounted for 21.7% of apparent consumption in 1982. Imports represented 22.8% of apparent consumption of separate trousers.

Imports of men's & boys' tailored clothing and rainwear surpassed the $1 billion level in 1982, rising 14.7% to $1,084.0 billion in that year. When measured on a quantity basis, imports again showed a rise between 1981 and 1982, climbing 12.2% to almost 12 million dozen.

Only two categories of imports in the tailored clothing area registered declines between 1981 and 1982 according to the U.S. Bureau of the Census. Man-made trousers and rainwear measured declines of 10.4% and 10.8%, respectively, on a C.I.F. dollar basis and 7.8% and 15.3%, respectively, on a unit basis.

The fastest growing category of imports in 1982 was man-made coats, except suit-type made of man-made fibers. This skyrocketed 50.5% to $268.5 million in value in 1982, while on a unit basis, this one group was up 40.7%, to 2.4 million dozen.

FOREIGN TRADE

Imports

A substantial portion of imported apparel originates with domestic manufacturers who produce part of their production abroad, but in much of the tailored clothing industry, union contracts prevent domestic manufacturers from doing this.

Due to the fact that the apparel manufacturing industry is extremely labor intensive, analysts see a continuing trend toward the manufacture of apparel items in off-shore, low cost developing countries. Although import penetration in the men's tailored wear industry is lower than that in other apparel areas, the rate has been rising over the last several years and most domestic producers see themselves as particularly vulnerable to imports.

Another factor affecting the quantity of imports is the increasing perception of consumers that foreign produced goods are of equal or better quality than domestic produced goods. As this perception grows, domestic manufacturers are forced into a more competitive situation, especially from foreign designers in France and Italy.

Summary of U.S. Imports of Men's & Boys' Tailored Clothing & Rainwear, 1982, 1981

	Quantity (Thous. of Doz.)		% Change	Value (C.I.F.)* (Millions of $)		% Change
	1982	1981	1982/1981	1982	1981	1982/1981
Total, reported categories	11,977.8	10,675.9	+ 12.2%	$1,084.0	$ 944.9	+ 14.7%
Suits, total	232.4	209.9	+ 10.7	123.3	109.3	+ 12.8
Wool	127.1	115.4	+ 10.1	89.1	82.7	+ 7.7
Man-made	105.3	94.5	+ 11.4	34.2	26.7	+ 28.1
Suit-type sport coats & jackets, total	399.4	350.9	+ 13.8	96.0	86.8	+ 10.6
Wool	75.5	65.5	+ 15.3	33.2	31.3	+ 6.1
Cotton	208.6	175.9	+ 18.6	40.2	33.8	+ 18.9
Man-made	115.3	109.5	+ 5.3	22.6	21.7	+ 4.1
Trousers**, total	8,056.1	7,568.1	+ 6.4	482.1	476.6	+ 1.2
Wool	235.0	170.3	+ 38.0	40.0	33.0	+ 21.2
Cotton	4,808.7	5,217.1	- 7.8	309.4	345.2	- 10.4
Man-made	3,012.4	2,180.7	+ 38.1	132.7	98.4	+ 34.9
Coats, excl. suit-type, total	3,268.9	2,522.2	+ 29.6	374.3	262.9	+ 42.4
Wool	28.0	21.1	+ 32.7	12.8	10.9	+ 17.4
Cotton	823.9	783.0	+ 5.2	93.0	73.6	+ 26.4
Man-made	2,417.0	1,718.1	+ 40.7	268.5	178.4	+ 50.5
Raincoats	21.0	24.8	- 15.3	8.3	9.3	- 10.8

(footnotes continued)

FOREIGN TRADE

Imports

*The C.I.F. value is based upon the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

**This category also includes slacks and shorts made from these fibers.

Source: U.S. Bureau of the Census,
U.S. General Imports,
Report FT135, December 1981, 1982

U.S. Imports of Men's & Boys' Tailored Clothing & Rainwear by Leading Countries of Origin, 1981, 1982

	Quantity (Thous. of Doz.)		% Change	Value C.I.F.* (Thous. of $)		% Change
	1982	1981	1982/1981	1982	1981	1982/1981
Suits, wool, total	127.1	115.4	+ 10.1%	$ 89.1	$ 82.7	+ 7.7%
Korea	28.6	30.5	- 6.2	18.2	18.4	- 1.1
France	15.7	18.6	- 15.6	11.9	13.4	- 11.2
Mainland China	14.7	6.3	+133.3	6.0	1.9	+215.8
Suits, man-made, total	105.3	94.5	+ 11.4	34.2	26.7	+ 28.1
Korea	53.3	49.2	+ 8.3	21.7	17.1	+ 26.9
Taiwan	25.3	21.7	+ 16.6	4.9	3.7	+ 32.4
Romania	14.7	5.9	+149.2	4.0	1.5	+166.7
Suit-type sports coats & jackets, wool, total	75.5	65.5	+ 15.3	33.2	31.3	+ 6.1
Korea	12.9	14.6	- 11.6	5.7	6.0	+ 5.0
Poland	7.7	8.6	- 10.5	1.9	1.9	--
Italy	7.5	5.9	+ 27.1	8.0	7.4	+ 8.1
Suit-type sports coats & jackets, cotton, total	208.6	175.9	+ 18.6	40.2	33.8	+ 18.9
Mainland China	39.8	22.8	+ 74.6	5.9	3.0	+ 96.6
Poland	35.3	44.4	- 20.5	6.8	8.4	- 19.0
Hong Kong	35.3	29.8	+ 18.5	5.7	4.9	+ 16.3
Suit-type sports coats & jackets, man-made, total	115.3	109.5	+ 5.3	22.6	21.7	+ 4.1
Korea	37.8	23.6	+ 60.2	8.4	5.7	+ 47.4
Columbia	35.1	40.1	- 12.5	6.8	7.4	- 8.1
Philippines	6.5	12.2	- 46.7	1.1	2.2	- 50.0

(continued)

Imports

U.S. Imports of Men's & Boys' Tailored Clothing & Rainwear by Leading Countries of Origin, 1981, 1982
(continued)

	Quantity (Thous. of Doz.) 1982	1981	% Change 1982/1981	Value C.I.F.* (Thous. of $) 1982	1981	% Change 1982/1981
Trousers, wool, total#	235.0	170.3	+ 38.0%	$ 40.0	$ 33.0	+ 21.2%
Mainland China	75.1	19.5	+285.1	8.3	2.1	+295.2
Korea	65.3	58.0	+ 12.6	10.7	8.5	+ 25.9
Italy	31.8	32.7	- 2.8	9.9	11.3	+ 12.4
Trousers, cotton, total	4,808.7	5,217.1	- 7.8	309.4	345.2	- 10.4
Hong Kong	1,923.7	2,043.8	- 5.9	146.5	163.8	- 10.6
Mainland China	575.5	794.4	- 27.6	29.3	33.6	- 12.8
Taiwan	346.8	227.4	+ 52.5	21.8	15.0	+ 45.3
Trousers, man-made, total	3,012.4	2,180.7	+ 38.1	132.7	98.4	+ 34.9
Taiwan	1,726.2	1,316.3	+ 31.1	71.2	54.2	+ 31.4
Mainland China	580.9	152.4	+281.2	21.4	6.4	+234.4
Hong Kong	198.8	141.6	+ 40.4	11.9	8.0	+ 48.8
Coats, excl. suit-type, wool, total	28.0	21.1	+ 32.7	12.8	10.9	+ 17.4
Hungary	5.1	1.4	+264.3	1.7	0.5	+240.0
Hong Kong	4.6	2.7	+ 70.4	1.4	0.8	+ 75.0
Yugoslavia	3.6	2.7	+ 33.3	2.5	1.7	+ 47.0
Coats, excl. suit-type, cotton, total	823.9	783.0	+ 5.2	93.0	73.6	+ 26.4
Hong Kong	163.4	150.6	+ 8.5	28.4	22.7	+ 25.1
Mainland China	156.0	154.6	+ 0.9	12.3	10.1	+ 21.8
Sri Lanka	126.4	131.4	- 3.8	8.8	8.6	+ 2.3
Coats, excl. suit-type, man-made, total	2,417.0	1,718.1	+ 40.7	268.5	178.4	+ 50.5
Korea	709.4	724.7	- 2.1	94.6	82.4	+ 14.8
Taiwan	587.0	396.0	+ 48.2	72.9	42.0	+ 73.6
Mainland China	331.6	56.7	+484.8	27.1	4.0	+577.5
Raincoats, total	21.0	24.8	- 15.3	8.3	9.3	- 10.8
Poland	6.3	8.5	- 25.9	2.3	2.9	- 20.7
Hong Kong	4.1	2.0	+105.0	1.1	0.6	+ 83.3
Taiwan	2.6	0.2	+1,200.0	0.8	0.1	+700.0

(footnotes on following page)

FOREIGN TRADE

Imports

*The C.I.F. value is based upon the purchase price and includes all freight, insurance, and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

#This category also includes slacks and shorts made from these fibers.

nr = not reported
na = not available

Source: U.S. Bureau of the Census,
U.S. General Imports,
Report FT 135, December 1981, 1982

Exports

The U.S. Bureau of Industrial Economics reports that U.S. exports of men's & boys' suits accounted for 1.9% of domestic shipments in 1982, down significantly from the 2.7% reported in the previous year. In the men's & boys' separate trousers area exports as a percent of shipments remained relatively stable, measuring 2.7% in 1981 and 2.8% in 1982.

Total exports of men's & boys' tailored clothing and rainwear were off by about one-third in 1982 on both a unit and dollar measure. Exports in 1982 fell to $71.7 million vs. $112.5 million in 1981 on a value basis while units declined from 2.9 million dozen to 1.9 million dozen during this same period.

The largest decline in dollars in 1982 was registered in wool suit-type sport coats and jackets (not knit) which declined 61.6% during the one-year period. On a unit basis the largest decline was recorded in man-made trousers and slacks, off 68.6%.

Industry analysts agree that the large decline in U.S. exports was due primarily to a strong U.S. dollar and to a worldwide recession. This combination caused U.S. manufactured goods to lose much of their foreign market share. The dollar continues strong and economic recovery abroad is lagging behind that in the U.S.

FOREIGN TRADE

Exports

Summary of U.S. Exports of Men's & Boys' Tailored Clothing & Rainwear 1981, 1982

	Quantity (Thous. of Doz.)		% Change	Value (F.A.S.)* (Thous. of $)		% Change
	1982	1981	1982/1981	1982	1981	1982/1981
Total, all reported categories	1,946.3	2,897.4	- 32.8%	$71,710	$112,537	- 36.3%
Wool	31.2	47.1	- 33.8	4,940	4,914	+ 0.5
Cotton	908.1	1,051.7	- 13.7	29,850	44,300	- 32.6
Man-made	1,007.0	1,798.6	- 44.0	36,920	63,323	- 41.7
Suits, total	27.4	44.3	- 38.1	3,524	3,780	- 6.8
Knit:						
Cotton	5.4	9.4	- 42.6	606	666	- 9.0
Man-made	13.8	9.5	+ 45.3	1,742	755	+130.7
Not knit:						
Wool	0.3	0.8	- 62.5	181	127	+ 42.5
Cotton	2.2	7.5	- 70.7	220	749	- 70.6
Man-made	5.7	17.1	- 66.7	775	1,483	- 47.7
Suit-type sport coats & jackets, total	208.3	296.8	- 29.8	10,069	14,561	- 30.8
Knit:						
Cotton	25.5	56.8	- 55.1	918	2,249	- 59.2
Man-made	104.8	156.2	- 32.9	3,412	5,162	- 33.9
Not knit:						
Wool	7.8	5.5	+ 41.8	2,293	1,239	- 85.1
Cotton	6.2	17.2	- 64.0	705	1,835	- 61.6
Man-made	64.0	61.1	+ 4.7	2,741	4,076	- 32.8
Trousers & slacks, total	1,227.3	1,569.6	- 21.8	35,923	55,563	- 35.3
Knit:						
Cotton	119.1	141.8	- 16.0	5,312	5,518	- 3.7
Man-made	55.0	174.9	- 68.6	2,296	5,058	- 54.6
Not knit:						
Wool	9.9	15.1	- 34.4	448	989	- 54.7
Cotton	642.7	653.3	- 1.6	17,275	23,925	- 27.8
Man-made	400.6	584.5	- 31.5	10,592	20,073	- 47.2
Coats & jackets, excl. suit-type, incl. rainwear, total	473.7	973.7	- 51.4	21,090	37,155	- 43.2
Knit:						
Cotton	89.6	132.0	- 32.1	2,660	5,346	- 50.2
Man-made	104.8	156.2	- 32.9	3,412	5,162	- 33.9
Not knit:						
Wool	3.6	12.7	- 71.7	914	1,081	- 15.4
Cotton	17.4	33.7	- 48.4	2,154	4,012	- 46.3
Man-made	258.3	639.1	- 59.6	11,950	21,554	- 44.6
Wool suits, coats, raincoats, jackets, trousers & shirts--knit, total	9.6	13.0	- 26.2	1,104	1,478	- 25.3

(footnotes on following page)

FOREIGN TRADE

Exports

*The value is generally equivalent to a F.A.S. (free alongside ship) value at the U.S. port of export. It is based on the transaction price, including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Source: U.S. Bureau of the Census,
U.S. Exports-Schedule E
Commodity by Country FT410,
December 1981, 1982.

AT THE RETAIL LEVEL

THE MARKET FOR MEN'S WEAR

Male Population

The two age groups which will increase most between 1983 and 1990 are those aged 35 - 54 and persons aged 55 and over, according to current Census Bureau projections. While the number of males aged 16 and over is expected to grow 16.3% to approximately 121 million, men aged 35 - 54 will rise 58.1% while the number over 55 will be up 17%.

Demographic trends, in general, favor the tailored wear industry. A sizable portion of the post-war baby boom will be moving into higher earnings brackets and buying more goods. The typical household is becoming smaller, older and more affluent, with a large share having two or more incomes.

The Male Population of the U.S., 1983 & Projections to 2000*

	Number (thousands)			% Change	Percent Distribution		
	1983	1990	2000	2000/1983	1983	1990	2000
Total all ages	113,977	121,498	130,379	+ 14.4%	100.0%	100.0%	100.0%
Under 16 years	28,180	29,591	30,592	+ 8.6	24.7	24.4	23.5
16 years & over	85,797	91,907	99,787	+ 16.3	75.3	75.6	76.5
16 - 19	7,958	6,999	7,709	- 3.1	7.0	5.8	5.9
20 - 34	31,162	31,301	27,071	- 13.1	27.3	25.8	20.8
35 - 54	25,302	31,066	40,002	+ 58.1	22.2	25.5	30.7
55 & over	21,376	22,541	25,005	+ 17.0	18.8	18.5	19.1
Median age (years)	29.6	31.8	34.9	+ 17.9			

*Middle series (out of three) projections based on varying assumptions on fertility, mortality and emigration.

Source: U.S. Bureau of the Census,
Series P-25, No. 922
(October 1982).

THE MARKET FOR MEN'S WEAR

Employment

Although the recession of 1981 - 1982, had a severe effect on employment in the U.S., white collar workers, prime consumers of tailored clothing, fared far better than blue collar workers. Overall, male employment between December 1981 and December 1982 declined by 1.3%, falling to 52.3 million workers. White collar worker employment during this same period actually registered a gain climbing 1.3% to 24.5 million males.

Male Employment by Occupational Group, Dec. 1982, Dec. 1981
(Males 16 Years of Age & Older)
(Numbers in Thousands)

	Dec. 1982	Dec. 1981	% Change 1982/1981	Percent of total 1982
Total males employed	52,290	52,962	- 1.3%	100.0%
White collar workers	24,482	24,160	+ 1.3	46.8
Professional & technical	9,377	9,239	+ 1.5	17.9
Managers & administrators	8,344	8,057	+ 3.6	16.0
Sales workers	3,496	3,400	+ 2.8	6.7
Clerical	3,266	3,464	- 5.7	6.2
Blue collar workers	21,513	22,865	- 5.9	41.1
Craft & kindred workers	10,657	11,176	- 4.6	20.4
Operatives, exc. transport	5,030	5,596	- 10.1	9.6
Transport operatives	2,862	2,971	- 3.7	5.5
Nonfarm laborers	2,964	2,946	+ 0.6	5.7
Service workers	4,418	4,267	+ 3.5	8.4
Farm workers	1,876	1,851	+ 1.4	3.6

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

RETAIL SALES

The men's tailored clothing classification encompasses a variety of products, including suits, tailored slacks, sport jackets, separate vests and topcoats, which are sold by a range of retail outlets. This diversity, along with the fact that retailers may classify some merchandise as either tailored clothing or sportswear, make it difficult to estimate the value of retail sales of men's tailored wear.

The latest official figures on sales of men's tailored clothing as well as rainwear types of retail outlets are in the 1977 Census of Retail Trade (U.S. Bureau of the Census).

RETAIL SALES

Reported Sales of Men's Tailored Clothing, 1977
In Leading Outlet Types
(In Thous. of Dollars)

Store Type	Total	Overcoats & Topcoats	Suits, Other Formal Wear	Rainwear & Other Outerwear
Men's wear stores	$2,805,941	$204,994	$2,267,811	$333,136
Department stores*	2,048,628	293,073	1,413,891	341,664
Family clothing stores	728,444	88,468	522,843	117,133

* Includes discount department stores and department stores operated by national chains.

Source: U.S. Bureau of the Census,
1977 Census of Retail Trade

Based on data compiled from periodic reports from a nationwide, representative sample of households by NPD Special Industry Services, consumer spending for men's and boys' tailored clothing in 1981 was projected to a total of $6.1 billion. The share of total purchases accounted for by department stores has held steady at about 28% in recent years, but specialty stores, estimated to account for about 39% of the total in 1981, have lost ground in market share since 1977. In that year, NPD estimates give specialty stores a share of almost 43% of men's and boys' tailored clothing purchases. (Further information on consumer expenditures for tailored clothing, compiled by NPD Special Industry Services, will be found in the BUYING HABITS section of this Fact File).

Distribution of Purchases of Men's & Boys' Tailored Clothing
By Type of Retail Outlet, 1977, 1981

	1981	1977
Total consumer purchases	100.0%	100.0%
Men's wear specialty stores	38.6	42.7
Department stores	28.0	27.7
National chains (Sears, Ward, Penney)	18.2	14.9
General mdse., discount stores	8.3	7.8
Other	6.9	6.9

Source: NPD Special Industry Services

The share of men's clothing sales accounted for by department stores and specialty stores is much higher in higher price lines--representing as much as 90% of total sales. These outlets are securing their hold in this area through the establishment of designer labels and exclusive store brands.

At the medium price level, department and specialty stores have a share estimated at about 85%; national chains and discount houses make deep inroads on this share in popular-priced lines.

RETAIL SALES

Sales of men's suits, sport coats and vests were off 6.0% for the twelve month period ended March 1983, compared to the comparable year earlier period, according to data issued by NPD Special Industry Services (Menswear, July 1983). The same source, using a panel of 6,500 nationally representative families, reported that coat and outer jacket sales were off 3.7% during the same period while pants, jeans, slacks and shorts sales were up 3.9%. Overall, NPD reports that men's and boys' wear sales were up a meager 0.05%.

Men's & Boys' Wear Sales in Reported Classifications
(Percent Changes)

	4/82 - 3/83 vs. 4/81 - 3/82
Men's & boys' wear, total	+ 0.05%
Suits, sport coats & vests	- 6.0
Coats & outerjackets	- 3.7
Pants, jeans, slacks & shorts	+ 3.9
Shirts, sweaters & other tops	- 1.5
Underwear	+ 1.9
Socks, hosiery	- 1.4
Pajamas, robes	- 9.0
Accessories	+ 3.8

Source: NPD Special Industry Services,
NPD Group of Marketing & Research Companies.

RETAIL SALES BY PRODUCT

Suits

The men's suit industry over the last few years has been heavily dependent on selling at off-price in order to maintain reasonable inventory levels. As the U.S. economy slowly recovers from the 1981-1982 recession, industry analysts believe that consumers will purchase more units at full price than they had in the past.

Although unit sales of suits were off significantly overall between 1981 and 1982, "better" priced suits have been the least affected by the decline. Retailers report that sales of suits with prices over $300 were higher in 1982 than in 1981 with some reporting increases of better than 10%.

A recent survey (Daily News Record, February 10, 1983) by Hart, Schaffner & Marx's Research and Forecasting department indicated that in 1981 the retail market for men's suits stood at $1.68 billion, 51.8% above the figure registered for 1980. On a unit basis, this source indicates that the number of suits sold in the U.S. climbed from 29.8 billion in 1980 to 30.4 billion in 1981 with suits over $201 representing 13.1% of the 1980 total and 19.1% in 1982.

RETAIL SALES BY PRODUCT

Tailored Jackets/Sport Coats

The recessionary pressures of 1982, which caused many traditional suit customers to delay purchases of that item, are seen as the main reason for the upswing in tailored jacket/sport coat sales. Most analysts believe that consumers attempting to update wardrobes turned to sport coats and separate trousers as a less expensive means of accomplishing this. NPD Research, Inc. (Menswear, 1/10/83) reported that in 1982, sales of sport coats were up 13.5% over the previous year on a unit basis.

As in the case of suits, recent surveys indicate that sales of better priced jackets fared better than any other category. Hart, Schaffner and Marx's research and forecasting department revealed that between 1980 and 1981 sales of sport coats priced $150 and over were up 19.5% on a unit basis and 17.5% in dollars. These better sport coats, according to Hart, Schaffner and Marx, accounted for 14.2% of the industries total unit sales of 22.5 million units and approximately one-third of dollar volume ($644,319,000) in 1981.

Tailored Slacks

Industry analysts report that sales of men's tailored slacks were up significantly in 1982 as consumers took to this category (along with sport coats as noted above) as an inexpensive way of updating aging wardrobes. As retailers report sales gains of 5 to 10% for the year, analysts expect the category to continue its steady growth as separates gain more acceptance in the work place.

RETAIL SALES

By Store Type: Department Stores

As the recession began to ease around Christmas of 1982, department stores' sales recorded a marked gain. In 1982 overall, total department store sales were up only 3.2% reaching a total of $107.3 billion. Over the first five months of 1983, however, total sales were up 5.4% when compared to the first five months of 1982.

The Census Bureau reported in the 1977 Census that department store business, in total, had become more concentrated among the larger firms, a trend which is believed to have continued. In 1977, firms with annual sales of $100 million or more (79 firms) operated 83% of the department stores and accounted for close to 92% of department stores volume.

Department stores, in general, have increased their share of men's clothing business in recent years, particularly in higher-priced lines; and here inflation has been a factor in department stores' increased share. The larger, prestige stores have stepped up promotions through the use of designer labels.

The National Retail Merchants Association reports that in 1981, sales of all men's wear apparel was up 11.0% in department stores, while men's clothing registered an increase of 6.4% during the same period. Sales of suits and formal wear were reported to have declined in department stores in 1981 (-0.5%) while overcoats, topcoats, rain, storm and dual-purpose coats, as a group, marked a sharp increase of 11.8%.

RETAIL SALES

By Store Type: Department Stores

Men's Departmental Merchandising & Operating Results in Department Stores with Total Annual Sales Over $1 Million, 1981

Typical (median) Results

	All Adult Male Apparel	Men's Clothing	Overcoats, Topcoats Rain, Storm & Dual-Purpose Coats	Suits & Formal Wear
Net sales, % change from last year	+ 11.0%	+ 6.4%	+ 11.8%	- 0.5
Sales, % of merchandise division	100.0	36.1	6.4	7.0
Sales, % of total store sales	12.4	4.4	0.8	0.9
$ sales per square foot of selling space	$176.9	$160.7	$201.2	$246.4
Cumulative markon, %	50.3%	50.0%	49.6%	49.4%
Gross margin, % of sales including cash discounts	43.5	38.9	42.6	30.4
Markdowns, retail, % of sales	12.5	17.6	15.8	22.6
Returns, % of sales	8.0	9.4	13.3	10.7
Number of stock turns	2.8	2.4	2.9	1.7
Salespeople's salaries, % of sales	6.8	6.9	7.5	7.8
Sales promotions, % of sales	2.9	3.4	3.2	3.5

na = not available.

Source: National Retail Merchants Association,
"Merchandising & Operating Results,"
1983 Edition.

By Store Type: Men's Wear Stores

In the first five months of 1983, total sales of men's wear stores were up 2.2%. This compares with a loss in volume amounting to 0.5% in sales for the year 1982 compared with 1981. In higher-priced lines, a significant number of prestige specialty stores are placing increasing emphasis on their own private labels. Designer labels, too, are growing among men's wear stores.

The latest figures on the number of men's specialty stores in operation are from the 1980 County Business Patterns report (Department of Commerce) which reported the total count of those with paid employees at 18,106.

Like most other segments of the retail industry, the men's and boys' wear specialty store group is highly characterized by several large stores controlling a majority of the sales. In 1977, the last year which figures are available, 934 firms with sales of $1 million or more (5.5% of all firms) accounted for close to 50% of all men's and boys' wear volume. This compares with 42% in 1972.

RETAIL SALES

By Store Type: Men's Wear Stores

Men's & Boys' Clothing & Furnishings Stores by Employee Size, 1980

	Establishments		Employees		Annual Payroll	
	Number	% of Total	Number	% of Total	Mil. $	% of Total
Men's & boys' clothing & furnishings stores, total	18,106	100.0%	140,240	100.0%	$1,271.9	100.0%
By establishment size:						
Under 10 employees	13,994	77.3	62,732	44.7	542.9	42.7
10 to 19 employees	3,804	21.0	41,509	29.6	361.3	28.4
20 to 49 employees	910	5.0	25,841	18.4	252.0	19.8
50 to 99 employees	99	0.5	6,546	4.7	71.1	5.6
100 or more employees	19	0.1	3,612	2.6	44.6	3.5

Source: U.S. Bureau of the Census,
County Business Patterns, 1980

Menswear Retailers of America reports in the Annual Business Survey that in 1982 tailored wear represented 37% of men's and boys' specialty store sales down from the 37.9% reported a year earlier. Although three of the four categories showed increases in percentage of store sales, the suit categories fall from 17.6% to 16.4% in the one year period was more than enough to offset the gains.

Percent of Men's Wear Store Sales Accounted For By Men's Tailored Clothing, 1981, 1982
(Median Results)

	All Firms		Firms Handling Men's Wear Only		Women's Wear	
	1982 (87 firms)	1981 (71 firms)	1982 (34 firms)	1981 (31 firms)	1982 (53 firms)	1981 (40 firms)
Total store sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Men's tailored wear	37.0	37.9	43.7	41.6	34.7	32.9
Men's suits	16.4	17.6	18.4	18.4	13.1	15.6
Sport coats	11.4	9.8	13.1	10.6	10.7	9.2
Dress slacks	8.3	7.6	9.6	9.3	7.1	7.0
Men's coats	2.1	2.0	2.5	2.7	1.9	1.8
Total men's clothing department sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Men's suits	43.6	45.2	42.7	44.4	43.9	45.3
Sport coats	30.1	27.8	31.1	26.7	30.1	28.9
Dress slacks	19.7	20.0	20.8	22.8	19.2	18.4
Men's coats	6.1	5.8	6.6	5.7	5.9	5.8

Source: Menswear Retailers of America,
Annual Business Survey,
June 1982, June 1983.

RETAIL SALES

Seasonal Patterns

Percent of Households Buying Reported Apparel Items
Each Month, 1981

	Suits/Sport Coats	Coats/Raincoats/Outer Jackets
Annual total	100.0%	100.0%
January	1.5	2.3
February	1.1	1.5
March	1.4	1.3
April	1.9	1.0
May	1.0	0.8
June	1.4	0.7
July	1.4	0.4
August	1.3	1.0
September	1.4	1.3
October	1.9	2.5
November	1.7	2.6
December	3.5	3.9

Source: Newspaper Advertising Bureau based on NPD Special Industry Services reports

RETAIL ADVERTISING

Reports of newspaper advertising linage for 1981 showed overcoats to be advertised most heavily during the last quarter of the year, with November having the largest share of ad linage. The biggest month for advertising men's slacks is June, while the heaviest newspaper promotions on sport coats were in December. Men's suit advertising was heaviest in September in 1981.

Percent of Year's Total Newspaper Advertising Linage on Men's Clothing
By Months, 1981

	Outercoats	Slacks	Sport Coats	Suits
Total	100.0%	100.0%	100.0%	100.0%
January	10.9	3.8	4.9	5.7
February	8.2	7.1	5.6	6.0
March	6.3	6.8	6.3	9.8
April	5.0	8.8	8.0	10.1
May	1.5	8.5	7.3	10.9
June	0.8	13.4	7.1	8.1
July	1.6	5.0	4.1	4.9
August	2.4	12.1	6.5	6.4
September	10.4	6.5	10.2	11.0
October	16.6	7.7	12.4	10.2
November	18.6	9.1	12.9	9.3
December	17.7	11.2	14.7	7.6

Source: Advertising Checking Bureau;
Newspaper Advertising Bureau, Inc.

CONSUMER PRICE INDEX

The consumer price index for men's wear rose 3.8% in 1982, a much lower percentage than the 8.4% registered for all items, but much higher than the 1.7% increase recorded for apparel, excluding footwear. During this same one year period, the index for suits, sport coats and jackets was up 2.8%, while coats and jackets registered a 1.3% gain.

Between June 1982 and June 1983, the CPI for men's wear rose 2.9% while suits, sport coats and jackets had a 3.6% gain; coats and jackets were up 1.2%.

Consumer Price Indexes for Selected Men's Apparel Items
(12/77 = 100, unless otherwise noted)

	June Average			Annual Averages		
	1983	1982	% Change 1983/1982	1982	1981	% Change 1982/1981
All items*	298.1	290.6	+ 2.6%	282.5	260.5	+ 8.4%
Apparel less footwear*	179.7	176.3	+ 1.9	177.0	174.0	+ 1.7
Men's wear	118.8	115.4	+ 2.9	116.0	111.7	+ 3.8
Suits, sport coats & jackets	111.2	107.3	+ 3.6	107.9	105.0	+ 2.8
Coats & jackets	100.7	99.5	+ 1.2	100.0	98.7	+ 1.3

* = 1967 = 100

Source: U.S. Bureau of Labor Statistics.

CONSUMER BUYING HABITS

The following information on purchases of men's tailored clothing and rainwear for men aged 17 years and older for the years 1982 and 1981 has been supplied by NPD Special Industry Services, one of the NPD Group of Marketing & Research Companies, Port Washington, N.Y. The information is based on the findings from an on-going monthly panel tracking the purchases of 6,500 nationally representative families.

Suits

Percent of Men's Suit Purchases by Outlet

	1982		1981	
	Units	Dollars	Units	Dollars
Total sales	100.0%	100.0%	100.0%	100.0%
Men's specialty stores	36.2	48.4	43.2	52.7
Department stores	23.4	23.9	19.0	20.2
National chains	25.3	16.5	22.3	15.3
Discount stores, incl. K mart	9.7	7.4	7.1	6.0
All other outlets	5.4	3.8	8.4	5.8

CONSUMER BUYING HABITS

Suits

Percent of Men's Suit Purchases by Price Point

	1982		1981	
	Units	Dollars	Units	Dollars
Total sales	100.0%	100.0%	100.0%	100.0%
Less than $60	22.6	8.1	22.1	9.3
$60.00 - $79.99	15.0	10.1	18.3	12.2
$80.00 - $99.99	20.5	17.7	16.0	13.6
$100.00 - $139.99	17.6	19.4	20.8	23.5
$140.00 - $199.99	14.4	22.2	15.2	22.9
$200.00 & over	9.9	22.5	7.6	18.5

Percent of Men's Suit Purchases by Month

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Units													
1982	9.0	7.6	13.9	9.8	7.4	8.5	8.9	4.9	3.1	9.0	8.5	9.4	100.0%
1981	10.5	7.8	9.4	10.0	6.2	9.9	6.5	6.8	5.5	8.2	9.0	10.2	100.0
Dollars													
1982	9.7	7.0	12.5	8.6	7.2	8.8	8.8	5.1	2.6	9.5	10.5	9.7	100.0
1981	10.4	8.1	8.7	9.3	5.6	8.1	7.2	6.5	5.4	10.6	9.8	10.3	100.0

Percent of Men's Suit Purchases by Type of Fabric

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Polyester & polyester blends	59.3	48.9	60.1	53.6
Wool & wool blends	1.1	0.7	3.0	1.9
Cotton & cotton blends	20.5	31.9	17.0	24.2
All other materials	1.1	1.0	2.0	2.9
No answer	18.0	17.5	17.9	17.4

Source for preceding tables: NPD Special Industry Services, Inc.

Sport Coats

Percent of Men's Sport Coat Purchases by Outlet Type

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Department stores	31.8	30.7	31.1	30.3
Men's specialty stores	28.3	39.0	29.8	39.3
National chains	18.5	13.7	23.0	16.1
Discounters, incl. K. mart	12.5	9.5	9.4	8.0
Other	8.9	7.1	6.7	6.3

CONSUMER BUYING HABITS

Sport Coats

Percent of Men's Sport Coat Purchases by Price Point

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Less than $40.00	23.5	8.9	29.5	12.3
$40.00 - $59.99	27.8	20.7	25.8	20.4
$60.00 - $79.99	22.5	22.6	18.4	19.4
$80.00 - $119.99	16.1	22.2	16.3	23.4
$120.00 & over	10.1	25.6	10.0	24.5

Percent of Men's Sport Coat Sales by Type of Fabric

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Polyester & polyester blends	48.7	37.0	53.7	45.2
Cotton & cotton blends	5.8	4.8	4.7	2.9
Wool & wool blends	27.5	34.7	22.8	30.0
All other materials	5.9	10.3	5.5	8.2
No answer	12.1	13.2	13.3	13.7

Percent of Men's Sport Coat Purchases by Month

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1982													
Units	8.5%	5.9%	6.3%	6.6%	7.4%	7.9%	5.8%	6.2%	7.2%	10.1%	9.5%	18.6%	100.0%
Dollars	8.8	5.1	4.6	7.9	6.6	9.3	7.1	6.1	6.3	9.3	10.0	18.9	100.0
1981													
Units	7.0	5.6	4.6	10.6	7.6	8.4	6.2	6.5	7.1	10.1	7.2	19.1	100.0
Dollars	7.5	5.1	3.7	9.2	7.7	7.8	5.1	5.8	7.4	9.8	8.0	22.9	100.0

Source for preceding tables: NPD Special Industry Services, Inc.

Raincoats

Percent of Men's Raincoat Purchases by Store Type

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Men's specialty stores	47.8	26.8	14.5	26.2
Discounters, incl. K mart	18.5	24.2	18.7	19.5
Department stores	9.3	22.3	17.2	26.9
National chains	13.5	15.8	23.7	17.9
Others	10.9	10.9	25.9	9.5

CONSUMER BUYING HABITS

Raincoats

Percent of Men's Raincoat Purchases by Price Line

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Less than $10.00	54.0	6.5	34.5	7.3
$10.00 - $19.99	22.8	16.3	29.5	14.9
$20.00 - $49.99	8.8	14.3	17.5	21.4
$50.00 - $79.99	9.4	32.4	10.7	25.9
$80.00 & over	5.0	30.5	7.8	30.5

Percent of Men's Raincoat Purchases by Type of Fabric

	1982		1981	
	Units	Dollars	Units	Dollars
Total purchases	100.0%	100.0%	100.0%	100.0%
Cotton & cotton blends	39.1	6.4	2.0	9.0
Vinyl	31.9	17.4	46.7	14.8
Polyester & polyester blends	14.7	54.5	25.7	54.3
Nylon & nylon blends	5.2	4.0	11.5	6.2
All other materials	2.9	8.6	3.4	4.4
Not reported	6.2	9.1	10.7	11.3

Percent of Men's Raincoat Purchases by Month

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Units												
1982	2.6%	3.5%	1.6%	1.7%	9.5%	7.3%	1.0%	1.5%	42.4%	7.7%	13.1%	8.1%
1981	10.3	9.7	1.0	2.0	6.9	5.4	7.0	13.4	5.8	8.5	13.4	16.6
Dollars												
1982	2.2	9.5	0.1	1.5	19.6	11.0	0.3	0.4	11.6	9.5	26.1	8.2
1981	16.2	14.1	0.5	2.5	5.7	13.1	7.9	7.1	4.6	4.7	6.8	16.9

Source for the preceding tables: NPD Special Industry Services, Inc.

FAIRCHILD FACT FILES AVAILABLE FOR 1983

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1982 Edition available now -- 1983 Edition will be available in January, 1984)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1982 Edition available now -- 1983 Edition will be available in December, 1983)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and findings in a comprehensive consumer survey conducted by Footwear News Magazine. ($15.00)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month. (September)

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (November)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits. (Special Fact File for 1983, $15.00)

SOFT SURFACE FLOOR COVERINGS: Trends in the number of manufacturers, on production and value of shipments of major types of soft surface floor coverings, and foreign trade, are covered in this report. Retailing information includes departmental merchandising and operating results, estimated volume by type of outlet and trends in consumer buying.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (Special Fact File for 1982, $15.00)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (October)

TOILETRIES, BEAUTY AIDS, COSMETICS AND FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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Women's Inner Fashions: Nightwear, Daywear and Loungewear

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TABLE OF CONTENTS

Page

MARKET TRENDS.. 1

AT THE MANUFACTURER LEVEL:

- GENERAL INDUSTRY STATISTICS.............................. 1
  - APPARENT CONSUMPTION................................. 4
  - EMPLOYMENT & EARNINGS................................ 4
  - CONCENTRATION IN THE INDUSTRY........................ 5
  - LEADING STATES....................................... 7
- PRODUCTION... 7
  - MATERIALS CONSUMED...................................11
- SHIPMENTS..11
- PRODUCER PRICE INDEX.....................................14
- FOREIGN TRADE -- IMPORTS.................................15
- FOREIGN TRADE -- EXPORTS.................................17

AT THE RETAIL LEVEL:

- THE POTENTIAL MARKET.....................................19
- RETAIL SALES BY PRODUCT..................................20
- RETAIL SALES BY STORE TYPE...............................20
- SEASONAL PATTERN IN RETAIL SALES.........................24
- RETAIL ADVERTISING.......................................25
- CONSUMER PRICE INDEX.....................................26
- CONSUMER BUYING HABITS...................................26

SCHEDULE OF ADDITIONAL FACT FILES..............................35

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WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR & LOUNGEWEAR

Market Trends

Sales of women's inner fashions--a roughly $5 billion retail market in 1982--were up 10-15% through the first half of 1983, aided by the general economic recovery in the U.S. Expectations are for sales to continue strong through fall 1983 and into 1984.

For leisurewear and sleepwear, especially, the trend has been to emulate fashion trends set by ready-to-wear and sportswear manufacturers through the use of new (to this market) colors and other flourishes. In leisurewear, these added touches allow the garment to be worn outside the home--a sales plus.

Fad and fashion are becoming almost as important as function in the purchase of lingerie. According to a trade source, reasons other than need accounted for 45% of lingerie sales in 1982 against 5% only five years ago. For example, non-white bra sales account for between 12% and 15% of the approximately $1.3 billion market in 1981. Beige is by far the most popular color.

Designs, colors and natural fibers have helped panty sales to climb to close to $1 billion in 1982 from only $0.6 billion as recently as 1979. An important impetus to sales of panties, and for inner fashions overall, is the proliferation of designer names in this market.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The 1981 Annual Survey of Manufactures, compiled by the U.S. Bureau of the Census, provides the latest available information on women's inner fashions at the manufacturer level. The ASM is based on a sample of manufacturers and is conducted in interim years between the complete census of manufactures, conducted every five years. It is adjusted for comparability with the most recent census data covering the year 1977.

The value of industry shipments (including both primary and secondary products and miscellaneous receipts) in the women's, misses', children's and infants' underwear industry reached $2.6 billion in 1981, a 7.0% gain over 1980. According to the Bureau of Industrial Economics publication, U.S. Industrial Outlook 1983, the industry shipment value increased 5.2% in 1982 to $2.735 billion. The value added by manufacture was estimated by the BIE at $1.405 billion in 1982, down 0.4% from the 1981 value shown in the ASM data.

At a constant 1972 dollar rate, the value of industry shipments was off 0.6% in 1982, but has risen at a compound annual rate of 2.0% in the ten year period ending in 1982, according to the BIE.

GENERAL INDUSTRY STATISTICS

Women's, Misses', Children's & Infants' Underwear & Nightwear (SIC 2341*)

	1981	1980	1979	1977
Number of companies	na	na	na	548
Number of establishments, total**	na	648#	663#	698
Number with 20 or more employees	na	456#	459#	479
Employees, total (thous.)	77.4	79.6	78.0	72.9
Production workers (thous.)	66.6	68.1	66.2	63.4
Payroll (mil. $)	$ 650.6	$ 633.9	$ 571.8	$ 472.1
Value added by manufacture (mil. $) ##	1,411.1	1,317.5	1,163.8	915.3
Value of industry shipments (mil. $) ###	2,599.3	2,428.6	2,187.8	1,780.8
Capital expenditures, new (mil. $)	27.7	29.3	22.3	18.7

Brassieres, Girdles & Allied Products (SIC 2342*)

Number of companies	na	na	na	150
Number of establishments, total**	na	150#	150#	180
Number with 20 or more employees	na	111#	115#	116
Employees, total (thous.)	14.6	14.6	16.6	18.9
Production workers (thous.)	12.0	11.9	13.2	15.2
Payroll (mil. $)	$ 143.5	$ 133.2	$ 139.5	$ 141.1
Value added by manufacture (mil. $) ##	332.0	304.3	330.2	334.4
Value of industry shipments (mil. $ ###	617.7	566.5	634.2	650.0
Capital expenditures, new (mil. $)	6.0	6.2	6.5	4.2

Knit Underwear Mills (SIC 2254*)

	1981	1980	1979	1977
Number of companies	na	na	na	80
Number of establishments, total**	na	84#	86#	92
Number with 20 or more employees	na	72#	75#	74
Employees, total (thous.)	25.0	25.9	28.2	25.2
Production workers (thous.)	22.5	23.6	25.3	23.4
Payroll (mil. $)	$ 247.3	$ 245.0	$ 228.3	$ 175.2
Value added by manufacture (mil. $) ##	385.1	392.2	405.0	305.7
Value of industry shipments (mil. $) ###	841.2	863.5	802.2	648.9
Capital expenditures, new (mil. $)	17.2	21.4	32.7	14.5

(continued)

GENERAL INDUSTRY STATISTICS

Robes & Dressing Gowns (SIC 2384*)

	1981	1980	1979	1977
Number of companies	na	na	na	137
Number of establishments, total**	na	138#	144#	151
Number with 20 or more employees	na	91#	93#	98
Employees, total (thous.)	9.9	11.6	10.6	9.5
Production workers (thous.)	8.7	9.4	9.2	8.2
Payroll (mil. $)	$ 92.4	$ 72.7	$ 85.2	$ 64.3
Value added by manufacture (mil. $) ##	197.9	218.7	175.3	139.5
Value of industry shipments (mil. $) ###	356.0	441.6	355.3	288.3
Capital expenditures, new (mil. $)	4.6	6.2	4.7	3.3

na = not available

*Manufacturers are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made, as shown below:

SIC 2341 - This industry comprises establishments primarily engaged in manufacturing women's, misses', children's and infants' underwear and nightwear cut and sewed from purchased woven or knit fabric.

SIC 2342 - This industry comprises establishments primarily engaged in manufacturing brassieres, girdles, corsets, corset accessories, and allied garments.

SIC 2254 - This industry comprises establishments primarily engaged in knitting underwear and nightwear from yarn or in manufacturing underwear and nightwear from knit fabric produced in the same establishments. Industry figures include underwear and nightwear for both men and women as well as for children and infants.

SIC 2384 - This industry comprises establishments primarily engaged in manufacturing men's and women's robes and dressing gowns.

**Each business location is counted as a separate establishment.

#Covers only establishments with paid employees, as reported in County Business Patterns, U.S. Department of Commerce.

##Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value of measure of individual industries.

###Value of industry shipments represents the net selling values, f.o.b., plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales).

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977;
Annual Survey of Manufactures, 1980, 1981.

GENERAL INDUSTRY STATISTICS

Apparent Consumption

U.S. apparent consumption (domestic shipments plus imports minus exports) of women's, girls' and infants' underwear was valued at $1.0 billion in 1982 at approximately the wholesale level. The quantity available at retail, excluding existing inventories, was 66.9 thousand dozen.

U.S. Apparent Consumption of Women's & Children's Underwear & Pajamas, 1982

QUANTITY (Thous. Dozen)

	Shipments	Exports	Imports	Apparent Consumption
Women's, girls' & infants':				
Underwear	61,966	2,009	6,935	66,892
Pajamas	19,864	444	1,382	20,802

VALUE (Mil. $)

	Shipments	Exports	Imports**	Apparent Consumption
Underwear	$ 951.3	$ 18.2	$ 48.2	$ 980.1
Pajamas	1,210.0	14.1	67.6	1,262.5

*Estimated producers' value, which excludes freight, insurance and other charges incurred in moving goods to the port of export.

**C.I.F. value at first port of entry in the U.S. plus import duties. For a further explanation of C.I.F. value, see the Import section on page 16.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
MA23G(82)-1

Employment & Earnings

Average employment in knit underwear mills rose 2.8% in the January to May 1983 period compared to a year ago, following a 5.6% decline in employment for the full year 1982 versus 1981. Weekly earnings of production workers in these mills averaged $195.46 during the first five months of 1983, up 17.9% from a year ago.

Employment in both the women's and children's underwear industry and women's brassieres and allied garments industry continued to fall in early 1983, as it had in 1982. In all three industries tracked by the Bureau of Labor Statistics, the wages of production workers rose largely due to increased working hours rather than big increases in the pay rate.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment & Earnings in Selected Women's Inner Fashion Industries

	Jan.-May Average			Annual Averages		
	1983	1982	% Change 1983/1982	1982	1981	% Change 1982/1981
Knit underwear mills:						
All employees (thous.)	29.3	28.5	+ 2.8%	28.7	30.4	- 5.6%
Production workers (thous.)	24.7	24.1	+ 2.5	24.3	26.3	- 7.6
Average weekly earnings	$195.46	$165.82	+17.9	$177.33	$177.48	- 0.1
Average hourly earnings	5.32	5.14	+ 3.5	5.17	4.93	+ 4.9
Average weekly hours	36.7	32.3	+13.6	34.3	36.0	- 4.7
Women's & children's underwear:						
All employees (thous.)	66.5	68.5	- 2.9	67.9	71.7	- 5.3
Production workers (thous.)	57.5	59.7	- 3.7	59.0	62.5	- 5.6
Average weekly earnings	$169.41	$155.69	+ 8.8	$161.47	$162.34	- 0.5
Average hourly earnings	4.86	4.80	+ 1.2	4.64	4.46	+ 4.0
Average weekly hours	35.4	33.7	+ 5.0	34.8	36.4	- 4.4
Women's brassieres & allied garments						
All employees (thous.)	14.8	16.7	-11.4	15.6	18.1	-13.8
Production workers (thous.)	11.2	12.8	-12.5	11.8	14.2	-16.9
Average weekly earnings	$180.14	$163.08	+10.5	$170.52	$170.77	- 0.1
Average hourly earnings	5.14	5.08	+ 1.2	5.09	4.77	+ 6.7
Average weekly hours	35.1	32.1	+ 9.3	33.5	35.8	- 6.4

Source: U.S. Bureau of Labor Statistics
Employment & Earnings.

Concentration in the Industry

The Women's Inner Fashion Industry by Employment Size, 1980

	Establishments		Employees	
	Number	% of Total	Number (Thous.)	% of Total
Women's & children's underwear & nightwear (SIC 2341), total	648	100.0%	73.7	100.0%
Under 20 employees	192	29.6	na	--
20-99 employees	232	35.8	12.2	16.6
100-499 employees	204	31.5	46.6	63.2
500 or more employees	20	3.1	na	--

(continued)

Concentration in the Industry

The Women's Inner Fashion Industry by Employment Size, 1980
(continued)

	Establishments		Employees	
	Number	% of Total	Number (Thous.)	% of Total
Brassieres & allied garments (SIC 2342), total	150	100.0%	16.7	100.0%
Under 20 employees	39	26.0	0.3	1.9
20-99 employees	67	44.7	3.8	22.7
100-499 employees	39	26.0	9.1	54.7
500 or more employees	5	3.3	3.5	20.7
Knit underwear mills (SIC 2254), total	84	100.0	24.9	100.0
Under 20 employees	12	14.3	0.1	0.4
20-99 employees	27	32.1	1.7	6.8
100-499 employees	34	40.5	8.2	32.9
500 or more employees	11	13.1	14.9	59.9
Robes & dressing gowns (SIC 2384), total	138	100.0	9.5	100.0
Under 20 employees	47	34.1	na	--
20-99 employees	64	46.4	3.1	32.8
100-499 employees	26	18.8	5.2	54.4
500 or more employees	1	0.7	na	--

na = not available

Source: U.S. Bureau of the Census,
County Business Patterns 1980.

The 50 largest firms (ranked on shipment value) in the women's and children's underwear industry controlled 63% of the industry shipment value in 1977, although they accounted for only 9% of all firms classified in the industry. A fifth of the value of shipments in this industry was attributed to the top four firms alone.

In the three remaining industries--brassieres and allied garments, knit underwear mills, and robes and dressing gowns--the 50 leading companies accounted for over 90% of the industry shipment value.

Percent of Selected Industry Activity Accounted For By the 50 Largest Companies in Each Industry, 1977

	Companies	Plants	Value Added by Manufacture	Value of Industry Shipments
Women's & children's underwear (SIC 2341), total	548	698	$ 915.3	$ 1,780.8
Share accounted for by:				
4 largest companies	0.7%	4.2%	19.9%	21.5%
8 largest companies	1.4	6.8	29.2	27.5
20 largest companies	3.6	11.7	42.7	41.7
50 largest companies	9.1	22.7	63.1	63.2

(continued)

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

Percent of Selected Industry Activity Accounted For
By the 50 Largest Companies in Each Industry, 1977
(continued)

	Companies	Plants	Value Added by Manufacture	Value of Industry Shipments
Brassieres & allied garments (SIC 2342), total	150	180	$ 334.4	$ 650.0
Share accounted for by:				
4 largest companies	2.7%	7.8%	38.4%	36.4%
8 largest companies	5.4	13.4	55.4	52.2
20 largest companies	13.4	25.1	77.0	77.2
50 largest companies	33.4	43.4	92.1	92.3
Knit underwear mills (SIC 2254), total	80	92	$ 305.7	$ 648.9
Share accounted for by:				
4 largest companies	5.0%	6.5%	37.0	42.1
8 largest companies	10.0	13.0	53.6	58.5
20 largest companies	25.0	32.6	83.0	84.5
50 largest companies	62.5	67.4	98.3	98.6
Robes & dressing gowns (SIC 2384), total	137	151	$ 139.5	$ 288.3
Share accounted for by:				
4 largest companies	2.9%	5.3%	21.8	25.3
8 largest companies	5.8	10.6	34.1	43.6
20 largest companies	14.6	21.2	62.6	69.1
50 largest companies	36.5	41.7	84.9	90.2

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977,
Concentration Ratios in Manufacturing,
MC77-SR-9.

By Leading States

In the women's, misses', children's and infants' underwear and nightwear industry, the U.S. Industrial Outlook 1983 estimated that 23% of the total industry shipments (value) in 1982 came from New York State plants. Other major producing states along with their percentage of industry shipments are: North Carolina (13%), Pennsylvania (9%), Georgia (6%) and Massachusetts (2%).

PRODUCTION

Official estimates of the annual U.S. production and value of shipments of specified women's innerwear and nightwear items are released by the Census Bureau as part of the Current Industrial Reports series. The estimates are based on a survey of manufacturers, contractors and jobbers and includes items cut in the U.S. and sent outside the country to be sewn, as well as products from Puerto Rican plants.

PRODUCTION

For the report covering 1982, approximately 40 establishments were added to the survey. None of these firms were asked to supply production or shipment data for years prior to 1982. Consequently, the estimates derived for 1982 are not directly comparable with earlier years. However, the data can be adjusted to yield a rough estimate of the percentage change in production between 1981 and 1982.

Estimated Percent Change in Production Quantity, 1982/1981

	1982 Quantity (Thous. Doz.)	Adjusted % Change 1982/1981
Women's, misses' & juniors':		
Full-length slips	3,019	- 1.5%
Half-slips, excluding pettipants	2,634	- 3.6
Panties, including pettipants	34,808	+ 0.1
Union suits, camisoles, thermal underwear, etc.	2,957	+ 15.0
Nightwear & sleepcoats, excluding sets with robes	9,829	- 5.0
Pajamas, except sets with robes	1,787	- 5.8
Peignoir & robe sets with nightgown or pajamas	1,151	- 2.6
Separate bedjackets & peignoirs, excluding lounge robes	103	- 50.9
Robes, dressing gowns, housecoats, etc.	2,616	- 2.4

Source: U.S. Bureau of the Census,
Current Industrial Reports,
MA23G(82)-1.

The current CIR on women's innerwear and nightwear also provides detailed production information on fabric and construction use. Comparable data for earlier years is not available at this level of detail.

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1982

	Thous. Dozen Units	% of Total
Full length slips	3,019	100.0%
By construction:		
Woven fabric	519	17.2
Knit fabric	2,414	80.0
Fabric, n.s.k.	86	2.8
By fabric:		
All cotton & chiefly cotton	92	3.0
All man-made & chiefly man-made	2,343	77.6
All other fabric Fabric, n.s.k.	584	19.3

(continued)

Production of Reported Types of Women's Innerwear & Nightwear
By Fabric & Construction, 1982
(continued)

	Thous. Dozen Units	% of Total
Half-slips, excluding pettipants	2,634	100.0%
By construction:		
Woven fabric	520	19.7
Knit fabric	1,862	70.7
Construction, n.s.k.	252	9.6
By fabric:		
All cotton & chiefly cotton	68	2.6
All man-made & chiefly man-made	2,350	89.2
Fabric, n.s.k.	216	8.2
Panties, including pettipants	34,808	100.0%
By construction:		
Woven fabric	851	2.4
Knit fabric	31,792	91.3
Construction, n.s.k.	2,165	6.2
By fabric:		
All cotton & chiefly cotton	8,011	23.0
All man-made & chiefly man-made	24,800	71.2
All other fabric Fabric, n.s.k.	1,997	5.7
Union suits, camisoles, thermal underwear, etc.	2,957	100.0%
By construction:		
Woven fabric	41	1.4
Knit fabric	1,901	64.3
Construction, n.s.k.	1,015	34.3
By fabric:		
All cotton & chiefly cotton	411	13.9
All man-made & chiefly man-made	1,608	54.4
All other fabric Fabric, n.s.k.	938	31.7
Nightgowns & sleepcoats, excluding sets with robes	9,829	100.0%
By construction:		
Woven fabric	3,942	40.1
Knit fabric	5,420	55.1
Construction, n.s.k.	467	4.7
By fabric:		
All cotton & chiefly cotton	1,402	14.3
All man-made & chiefly man-made	7,968	81.1
All other fabric Fabric, n.s.k.	459	4.6

(continued)

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1982

(continued)

	Thous. Dozen Units	% of Total
Pajamas, except sets with robes	1,787	100.0%
By construction:		
Woven fabric	665	37.2
Knit fabric	810	45.3
Construction, n.s.k.	312	17.5
By fabric:		
All cotton & chiefly cotton	439	24.6
All man-made & chiefly man-made	1,035	57.9
All other fabric		
Fabric, n.s.k.	313	17.5
Peignoir & robe sets with nightgown or pajamas	1,151	100.0%
By construction:		
Woven fabric	303	26.3
Knit fabric	550	47.8
Construction, n.s.k.	298	25.9
By fabric:		
All cotton & chiefly cotton	29	2.5
All man-made & chiefly man-made	842	73.1
All other fabric		
Fabric, n.s.k.	280	24.3
Separate bedjackets & peignoirs, excluding lounge robes	103	100.0%
By construction:		
Woven fabric	29	28.1
Knit fabric	45	43.7
Construction, n.s.k.	29	28.1
By fabric:		
All cotton & chiefly cotton	25	24.3
All man-made & chiefly man-made	45	43.7
Fabric, n.s.k.	33	32.0
Robes, dressing gowns, housecoats, etc.	2,616	100.0%
By construction:		
Woven fabric	1,128	43.1
Knit fabric	1,065	40.7
Construction, n.s.k.	423	16.2
By fabric:		
All cotton & chiefly cotton	301	11.5
All man-made & chiefly man-made	1,865	71.3
All other fabric		
Fabric, n.s.k.	450	17.2

n.s.k. = not specified by kind.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Underwear & Nightwear MA23G(82)-1.

PRODUCTION

Materials Consumed in Production

The 212 million pounds of fiber used to produce women's and children's innerwear and nightwear products in 1981 was 2.7% less than the amount used in 1980 and a substantial 12.0% decline compared with 1980. It also represented the least amount of fiber used since 1976, according to the Textile Economics Bureau.

Construction of Fibers in the Production of Women's & Children's Innerwear & Nightwear, 1979-1981

	Millions of Pounds			
	1981	1980	1979	% Change 1981/1980
Innerwear & nightwear, total*	212.0	217.9	240.8	- 2.7%
Man-made fibers, total	162.0	169.0	184.1	- 4.1
Cellulosic	18.3	20.3	20.8	- 9.8
Non-cellulosic	143.7	148.7	163.3	- 3.4
Cotton	48.8	47.9	55.7	+ 1.9
Wool	1.2	1.0	1.0	+ 20.0
Robes & loungewear, total**	126.9	148.1	134.2	- 14.3
Man-made fibers, total	104.8	126.3	110.8	- 17.0
Cellulosic	47.1	63.4	61.4	- 25.7
Non-celluiosic	57.7	62.9	49.4	- 8.3
Cotton	19.3	19.4	20.9	- 0.5
Wool	2.8	2.4	2.5	+ 16.7

* Excludes trim, elastic webbing, apparel lace braid or narrow fabric used.
**Includes men's and boys' beach and bath robes, dressing gowns and smoking jackets as well as women's beach and bath robes and housecoats.

Source: Textiles Economics Bureau, Inc.
Textile Organon, November 1982

SHIPMENTS

As noted in the PRODUCTION section of the Fact File, 40 innerwear/nightwear firms, which did not report in 1981, were included in data on production and shipments compiled by the Census Bureau for the year 1982. In the following table, reported figures on value of shipments are shown, as well as percentage comparisons with 1981 based on adjustments in the data reported for that year.

SHIPMENTS

Value of Shipments of Women's Innerwear & Nightwear by All U.S. Producers & Estimated Percent Change, 1982/1981

	Value of Shipments 1982 (Mil. $)	% Change 1982/1981 (adjusted)
Women's, misses' & juniors':		
Full-length slips	$ 183.5	+ 8.9%
Half-slips, excluding pettipants	116.8	+ 10.4
Panties, including pettipants	398.6	+ 6.1
Union suits, camisoles, thermal underwear, etc.	96.8	+ 10.6
Nightgowns & sleepcoats, excluding sets with robes	680.0	- 0.3
Pajamas, except sets with robes	117.2	- 6.1
Peignoir & robe sets with nightgown or pajamas	125.0	- 1.9
Separate bedjackets & peignoirs, excluding lounge robes	11.7	- 34.6
Robes, dressing gowns, housecoats, etc.	298.3	- 2.4

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Underwear & Nightwear MA-23G(82)-1.

In the 1983 U.S. Industrial Outlook, the Bureau of Industrial Economics estimated that 1982 women's and children's underwear and nightwear shipments, measured in constant 1972 dollars, were up 1.7% over the previous year. During the 1972-1982 period, the shipment value of these products increased at the compound annual rate of 1.7%

Total U.S. value of shipments of brassieres, girdles and allied garments slipped 0.3% to $879.6 million in 1982 on a 5.7% decline in the number shipped. Shipments from Puerto Rican plants rose in value to $308.5 million, 1.8% higher than in 1981, although the quantity shipped fell 9.0% to 6.4 million dozen. The value of brassieres and girdles shipped from Puerto Rican plants represented 35.1% of the total U.S. shipment value.

Quantity & Value of Shipments of Brassieres, Girdles & Allied Garments From Domestic & Puerto Rican Producers, 1981, 1982

	Quantity (Thous. Dozen)			Value of Shipments (Mil. $)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Brassieres, girdles & allied garments, total	20,370	21,612	- 5.7%	$879.6	$882.4	- 0.3%
Domestic producers	14,011	14,621	- 4.2	571.1	579.3	- 1.4
Puerto Rican producers	6,359	6,991	- 9.0	308.5	303.1	+ 1.8

(continued)

SHIPMENTS

Quantity & Value of Shipments of Brassieres, Girdles & Allied Garments From Domestic & Puerto Rican Producers, 1981, 1982

(continued)

	Quantity (Thous. Dozen)			Value of Shipments (Mil. $)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Brassieres, bra-lettes & bandeaux, total	16,711	17,650	- 5.3%	$695.7	$692.5	+ 0.5%
Domestic producers	11,409	11,921	- 4.3	436.6	449.0	- 2.8
Puerto Rican producers	5,302	5,729	- 7.4	259.1	243.5	+ 6.4
Girdles & other foundation garments, total	3,659	3,962	- 7.6	183.9	189.9	- 3.2
Domestic producers	2,602	2,700	- 3.6	134.5	130.3	+ 3.2
Puerto Rican producers	1,057	1,262	- 16.2	49.4	59.6	- 17.1

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Brassieres, Girdles & Allied Garments
MA-23J(81)-1.

Shipments of Women's Foundation Garments by All U.S. Producers, By Factory (Wholesale) Price Line, 1981, 1982

	Quantity (Thous. Dozen)		
	1982	1981	% Change 1982/1981
Brassieres, bra-lettes & bandeaux	16,711	17,650	- 5.3%
Brassieres (with band 3" or more) excluding bra-lettes	510	579	- 11.9
Bra-lettes (hip-length with garters) including briefers	54	69	- 21.7
Bandeaux (with less than 3" bands)	16,147	17,002	- 5.0
Strap, regular	10,929	11,323	- 3.5
$12.75 & under per dozen	430	521	- 17.5
$12.76 to $15.50 per dozen	651	571	+ 14.0
$15.51 to $19.25 per dozen	742	933	- 20.4
$19.26 to $30.00 per dozen	1,902	2,460	- 22.7
$30.01 & over per dozen	7,204	6,838	+ 5.3
Strap, padded or contour-lined	4,258	4,633	- 8.1
Strapless or convertible	960	1,046	- 8.2
Girdles, corsets & other foundation garments	3,659	3,962	- 7.6
Corsets (back-laced or front laced)	4	6	- 33.3
Girdles	3,145	3,541	- 11.2

(continued)

SHIPMENTS

Shipments of Women's Foundation Garments by All U.S. Producers, By Factory (Wholesale) Price Line, 1981, 1982
(continued)

	Quantity (Thous. Dozen)		% Change
	1982	1981	1982/1981
Girdles (continued)			
Girdles (with opening) including girdles made of latex	667	795	- 16.1%
$36.00 & under per dozen	242	243	- 0.4
$36.01 to $65.99 per dozen	279	400	- 30.2
$66.00 to $95.99 per dozen	86	94	- 8.5
$96.00 & over per dozen	60	58	+ 3.4
Girdles (without opening) including girdles made of latex	2,478	2,746	- 9.8
$30.00 & under per dozen	989	1,160	- 14.7
$30.01 to $51.00 per dozen	644	730	- 11.8
$51.01 & over per dozen	845	856	- 1.3
Combination & one-piece garments (corselets)	303	223	+ 35.9
Maternity foundation garments (including corsets & combination)	50	54	- 7.4
Garter belts	157	138	+ 13.8

NOTE: Includes foundation garments made in Puerto Rican plants.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Brassieres, Girdles and Allied Garments,
MA-23J(81)-1.

PRODUCER PRICE INDEX

Most women's inner fashion items at the producer (factory) price level rose faster than did the overall commodities index during the first five months of 1983, according to the Bureau of Labor Statistics. While the index for all commodities increased only 0.8% compared with the January to May 1982 period and all women's apparel actually declined 0.5%, the index for nightgowns and sleepcoats showed a 5.6% rise. Panties were up 4.3% and brassieres, 3.7%.

PRODUCER PRICE INDEX

Producer Price Indexes of Selected Types of Women's Innerwear & Nightwear, 1981, 1982 & January-May, 1982, 1983
(1967=100 unless otherwise indicated)

	January-May Averages			Annual Averages		
	1983	1982	% Change 1983/1982	1982	1981	% Change 1982/1981
All commodities	300.8	298.3	+ 0.8%	299.3	293.4	+ 2.0%
Apparel	194.1	193.6	+ 0.3	194.4	186.0	+ 4.5
Women's	171.6	172.4	- 0.5	173.1	164.4	+ 5.3
Brassieres	221.4	213.4	+ 3.7	215.3	194.3	+ 10.8
Girdles, corsets, combinations & accessories	178.4	172.4	+ 3.4	173.7	163.3	+ 6.4
Panties (12/77=100)	148.8	142.6	+ 4.3	143.6	139.0	+ 3.3
Slips, half-slips & petticoats (12/77=100)	142.5	142.7	- 0.1	142.7	136.7	+ 4.4
Nightgowns & sleepcoats	157.8	149.4	+ 5.6	152.8	145.3	+ 5.2

Source: U.S. Department of Labor.

FOREIGN TRADE

Imports

Imports of women's and children's brassieres were valued at $157.4 million (C.I.F.) in 1982, 2.1% less than the 1981 valuation of $160.8 million. The quantity imported also declined, by 9.1% to 11.5 million dozen. Women's and children's undergarment imports increased 29.2% in value to $108.3 million in 1982 on a 26.2% rise in the number imported to almost 9 million dozen.

According to the Census Bureau, brassieres cut in the U.S., sent outside the country to be sewn and then shipped back to the U.S. (an "807" import) constituted about 65% of total brassiere imports in dollars and 83% in quantity during 1981, the latest year for which this information is available. For girdles, corsets, combinations and accessories, "807" imports accounted for approximately 29% of import dollars and 25% of import quantity in 1981.

Women's and children's underwear and nightwear imports accounted for only 4.3% of new supply (domestic shipments plus imports) in 1982, according to the Bureau of Industrial Economics.

FOREIGN TRADE

Imports

Imports of Women's & Children's Innerwear & Nightwear By Leading Countries of Origin, 1981, 1982

	Quantity (Thous. Dozen)			C.I.F. Value* (Mil. $)		
	1982	1981	% Change 1982/81	1982	1981	% Change 1982/81
Brassieres, total	11,521.5	12,674.0	- 9.1%	$157.4	$160.8	- 2.1%
Cotton	136.2	97.6	+ 39.5	1.8	1.2	+ 50.0
Philippines	91.7	52.1	+ 76.0	1.0	0.5	+100.0
Dominican Republic	21.0	10.8	+ 94.4	0.3	0.1	+200.0
Man-made fibers	11,378.1	12,572.9	- 9.5	155.3	159.4	- 2.6
Philippines	2,530.9	3,132.3	- 19.2	25.0	28.7	- 12.9
Dominican Republic	1,579.5	1,692.0	- 6.6	23.2	23.5	- 1.3
Costa Rica	1,503.6	1,546.2	- 2.8	18.1	17.3	+ 4.6
All other materials	7.2	3.5	+105.7	0.3	0.2	+ 50.0
France	3.0	1.1	+172.7	0.2	0.09	+122.2
Corsets, garters & other body-supporting garments	nr	nr	--	12.9	12.9	--
Mexico	nr	nr	--	4.2	6.4	- 34.4
Haiti	nr	nr	--	1.4	2.0	- 30.0
Undergarments, nspf, of textile materials, total	8,802.0	6,973.4	+ 26.2	108.3	83.8	+ 29.2
Not knit	1,399.1	1,114.5	+ 25.5	46.8	38.3	+ 22.2
Hong Kong	546.7	452.4	+ 20.8	20.0	16.3	+ 22.7
Indonesia	141.1	19.9	+609.0	2.7	0.3	+800.0
Knit	7,402.9	5,858.9	+ 26.3	61.5	45.5	+ 35.2
Hong Kong	4,159.3	2,971.1	+ 40.0	21.3	14.0	+ 52.1
Dominican Republic	853.2	424.6	+100.9	10.3	4.5	+128.9
Pajamas, cotton, not knit	455.1	378.0	+ 20.4	18.8	15.6	+ 20.5
Hong Kong	358.2	317.5	+ 12.8	14.8	13.1	+ 13.0
Republic of China	37.6	25.4	+ 48.0	1.5	1.1	+ 36.4
Dressing gowns & robes, not knit, total	353.4	289.1	+ 22.2	22.3	17.6	+ 26.7
Cotton	258.3	193.0	+ 33.8	15.6	10.9	+ 43.1
Hong Kong	109.5	80.0	+ 36.9	4.9	3.1	+ 58.1
Taiwan	29.6	20.5	+ 44.4	1.1	0.8	+ 37.5
Wool or man-made fiber	91.7	93.2	- 1.6	5.9	5.8	+ 1.7
Hong Kong	58.9	46.5	+ 26.7	3.2	2.2	+ 45.4
Republic of China	16.1	14.4	+ 11.8	1.1	1.0	+ 10.0
Silk	3.4	2.9	+ 17.2	0.8	0.9	- 11.1
Hong Kong	1.7	1.5	+ 13.3	0.4	0.4	--

(footnotes continued)

FOREIGN TRADE

Imports

(footnotes continued)

nr = not reported.
nspf = not specially provided for.

*The C.I.F. (cost, insurance, freight) value is based upon the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports FT 135,
December 1981, 1982.

Exports

U.S. manufacturers of women's and children's innerwear and nightwear exported $137.4 million worth of these goods in 1982, down 14.2% from 1981. The quantity of exports fell 21.2% to 11.6 million dozen units. In general, according to the Bureau of Industrial Economics, apparel exports were off substantially in 1982, principally because of poor economic conditions overseas and a strong dollar. The Bureau estimated that exports accounted for 27% of women's and children's underwear and nightwear shipments in 1982.

Brassiere exports, the largest component of innerwear and nightwear exports, dropped 18.0% in value, to $68.4 million, and 23.8% in the quantity exported, to 7.3 million dozen, in 1982 compared with the prior year. About 54% of the brassieres shipped from American factories were exported in 1982, according to the Department of Commerce. Women's and children's underwear exports were valued at $39.8 million, 16.2% less than in 1981, while the quantity exported slipped 18.9% to 3.3 million dozen.

U.S. Exports of Women's & Children's Innerwear & Nightwear
1981, 1982

	Quantity (Thous. Dozen)			Value* (Mil. $)		
	1982	1981	% Change 1982/81	1982	1981	% Change 1982/81
Total, all reported categories	11,597.5	14,715.8	- 21.2%	$137.2	$160.0	- 14.2%
Brassieres, total	7,309.3	9,592.1	- 23.8	68.4	83.3	- 18.0
Cotton	716.0	1,120.9	- 36.1	5.4	9.0	- 40.0
Man-made fibers	5,712.4	7,297.2	- 21.7	53.8	62.5	- 13.9
All other materials	880.9	1,174.0	- 25.0	9.2	11.8	- 22.0

(continued)

FOREIGN TRADE

Exports

U.S. Exports of Women's & Children's Innerwear & Nightwear
1981, 1982
(continued)

	Quantity (Thous. Dozen)			Value* (Mil. $)		
	1982	1981	% Change 1982/81	1982	1981	% Change 1982/81
Underwear, total	3,303.9	4,072.1	- 18.9%	$ 39.8	$ 47.5	- 16.2%
Not knit	1,637.3	2,260.4	- 27.6	17.2	20.7	- 16.9
Cotton	221.0	253.1	- 12.7	1.5	1.6	- 6.2
Man-made fibers	456.5	731.9	- 37.6	6.5	8.4	- 22.6
All other materials	959.8	1,275.4	- 24.7	9.2	10.7	- 14.0
Knit	1,666.6	1,811.7	- 8.0	22.6	26.8	- 15.7
Cotton	687.2	534.6	+ 28.5	5.8	6.3	- 7.9
Man-made fibers	838.3	1,002.9	- 16.4	13.9	17.1	- 18.7
All other materials	141.1	274.2	- 48.5	2.9	3.4	- 14.7
Garters, garter belts & suspenders, total	169.4	236.9	- 28.5	1.1	1.2	- 8.3
Body-supporting garments, except brassieres, total	249.5	218.4	+ 14.2	4.9	5.5	- 10.9
Pajamas & other nightwear, total	444.4	470.7	- 5.6	15.0	14.9	+ 0.7
Not knit	216.0	230.9	- 6.4	8.5	7.8	+ 9.0
Cotton	45.4	43.2	+ 5.1	1.5	1.4	+ 7.1
Man-made fibers	140.2	162.4	- 13.7	5.7	5.1	+ 11.8
Wool	4.5	4.2	+ 7.1	0.3	0.3	--
All other materials	25.9	21.1	+ 22.7	1.0	1.0	--
Knit	228.4	239.8	- 4.7	6.5	7.1	- 8.4
Cotton	31.9	39.2	- 18.6	1.0	1.4	- 28.6
Man-made fibers	147.8	146.3	+ 1.0	3.2	3.5	- 8.6
Wool	3.9	12.3	- 68.3	0.1	0.4	- 75.0
All other materials	44.8	42.0	+ 6.7	2.2	1.8	+ 22.2
Robes & dressing gowns, not not knit, total	121.0	125.6	- 3.7	8.0	7.6	+ 5.3
Cotton	56.2	82.3	- 31.7	2.8	4.2	- 33.3
Man-made fibers	61.7	38.8	+ 59.0	5.0	3.2	+ 56.3
Wool	3.1	4.5	- 31.1	0.2	0.2	--

*The export value is based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. As defined, the value excludes the cost of loading the merchandise aboard the carrier and also excludes freight, insurance and other charges incurred beyond the port of exportation.

Source: U.S. Bureau of the Census,
U.S. General Exports FT 410,
December 1981, 1982.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

According to the Census Bureau, there will be almost 100 million women aged 16 or older in the U.S. by 1990, 7.2% more than in 1983. The largest increase will come in the 35-44 year-old category, which will register an estimated 28.0% jump in numbers in the seven year span (Series II projections).

The median age of women in the U.S. is expected to rise to 34.3 years in 1990 compared with 32.2 years in 1983. By the year 2000, the typical women will be 37.7 years old.

Projections of the U.S. Female Population, 1983, 1990, 2000

	Number (thousands)			% Change		Percent Distribution		
	1983	1990	2000	1990/1983	2000/1990	1983	1990	2000
Total, all ages	120,216	128,234	137,611	+ 6.7%	+ 7.3%	100.0%	100.0%	100.0%
Under 16 years	26,924	28,240	29,175	+ 4.9	+ 3.3	22.4	22.0	21.2
16 years & over	93,293	99,994	108,436	+ 7.2	+ 8.4	77.6	78.0	78.8
16-19 years	7,654	6,704	7,373	- 12.4	+ 10.0	6.4	5.2	5.4
20-34 years	30,925	30,774	26,442	- 0.5	- 14.1	25.7	24.0	19.2
35-44 years	14,940	19,119	21,885	+ 28.0	+ 14.5	12.4	14.9	15.9
45-54 years	11,518	13,051	18,925	+ 13.3	+ 45.0	9.6	10.2	13.7
55 years & over	28,256	30,346	33,811	+ 7.4	+ 11.4	23.5	23.7	24.6
Median age	32.2	34.3	37.7					

NOTE: These are Series II projections, which assume a fertility rate of 2.1, or at the replacement level.

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25 No. 922, October 1982

The following table covers estimates of the current adult female population in specified height/weight groups, based on an analysis of information from the U.S. Department of Health and Human Services and the U.S. Census Bureau.

Some 14 million women in the U.S. population are likely candidates for petite sizes, while another eight million probably look for tall sizes. While other measurements do enter into the size definition, available data is limited to height and weight relationships. While there are 46 million women in the U.S. who are five feet three inches or shorter, most weigh over 120 pounds. Only 30% weigh less than 120 lbs.

THE POTENTIAL MARKET

Estimated Number of Women 18 Years of Age & Over
By Height & Weight, 1982
(In Thousands)

	Total	% of total	Under 120 lbs.	% of total	120-149 lbs.	% of total	150 lbs. & over	% of total
Total	86,003	100.0%	19,537	22.7%	38,251	44.4%	28,251	39.2%
Height:								
5'3" or less	46,991	54.6	14,114	16.4	19,622	22.8	13,254	15.4
5'4" - 5'6"	31,068	36.1	4,992	5.8	14,630	17.0	11,446	13.3
5'7" or more	8,004	9.3	430	0.5	3,959	4.6	3,615	4.2

Source: Fairchild Market Research Department based on National Health Survey (U.S. Dept. of Health, Education & Welfare) and U.S. Bureau of the Census population projections for 1982 by age compiled prior to the October 1982 report.

RETAIL SALES BY PRODUCT

According to trade sources, the women's inner fashions market was worth approximately $5 billion at retail in 1982, up about 5% over 1981. Sleepwear, with sales of about $2.2 billion, accounted for close to half of the total. Panty sales inched upward to about $1.0 billion although units sold hovered around 600 million pairs in both 1981 and 1982.

Bra sales reached an estimated $1.3 billion in 1981 with about 230 million units sold. In 1980, sales of bras were about $1.2 billion and 220 million units were sold.

RETAIL SALES BY STORE TYPE

The only official information on sales of women's inner fashions and loungewear in specified types of retail outlets is contained in the 1977 Census of Retail Trade. Only stores with payrolls are included in the merchandise line reports and not all store types are required to break down their sales by merchandise category. Due to changes in the classification system, comparative figures for earlier census years are not available.

Brassieres, Girdles & Foundations

Department stores accounted for over 67% of reported sales of women's brassieres, girdles and foundations in 1977. Women's ready-to-wear stores' sales of $204.0 million represented 15.3% of the total.

RETAIL SALES BY STORE TYPE

Brassieres, Girdles & Foundations

Reported Sales of Women's Bras, Girdles & Foundations by Store Type, 1977
(Includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number***	% of total	Mil. $	% of total
Bras, Girdles & Foundations	35,239	100.0%	$1,333.8	100.0%
Department stores*	7,884	22.4	894.8	67.1
Women's ready-to-wear stores**	14,820	42.1	204.0	15.3
Family clothing stores	8,807	25.0	169.3	12.7
Children's wear stores	118	0.3	0.7	0.1
Mail order houses	3,610	10.2	65.0	4.8

* Includes discount department stores as well as traditional department stores. Sales of catalog order desks within these stores are included in the department store data, but not sales of catalog headquarter operations, which are included in mail order house data.

**Detailed data on merchandise line sales of women's accessory & specialty stores (including furriers) were not included in the Census reports. There were a total of 4,962 stores in this classification with total women's and children's wear sales of $858.8 million in 1977.

***Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977
Merchandise Line Sales, RC77-L.

RETAIL SALES BY STORE TYPE

Lingerie, Sleepwear & Loungewear

In 1977, sales of women's lingerie, sleepwear and loungewear were reported at $2.14 billion in the leading store types. Department stores again took the lions' share with reported sales of $1.48 billion, 69.2% of the total.

Reported Sales of Women's Lingerie, Sleepwear & Loungewear by Store Type, 1977
(includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number***	% of total	Mil. $	% of total
Lingerie, Sleepwear & Loungewear	38,826	100.0%	$2,143.8	100.0%
Department stores*	8,284	21.3	1,483.7	69.2
Women's ready-to-wear stores**	17,637	45.4	357.4	16.7
Family clothing stores	9,187	23.7	214.9	10.0
Children's wear stores	117	0.3	0.9	#
Mail order houses	3,601	9.3	86.9	4.1

(See footnotes on page 21.)

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales, RC 77-L

Contribution of Women's Inner Fashion Sales to Total Women's & Children's Wear in Key Store Types Reporting Sales, 1977

	Total Women's & Children's Wear Sales* (mil. $)	% of sales accounted for by:	
		Bras, Girdles & Foundations	Lingerie, Sleepwear & Loungewear
Department stores	$ 16,250.7	5.5%	9.1%
Women's ready-to-wear stores**	11,066.5	1.8	3.2
Family clothing stores	3,471.6	4.9	6.2

* Excludes footwear sales.

** Excludes sales in women's accessory and specialty stores.

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales, RC 77-L.

RETAIL SALES BY STORE TYPE

Department Stores

While sales of all types of female apparel rose 8.8% in the typical department store with store sales in excess of $1 million, women's, misses' and juniors' intimate apparel sales increased 14.6% and brassiere sales gained 12.8% over 1981.

As a percent of sales, the median markdowns taken in the various innerwear and nightwear departments included in the National Retail Merchants annual survey were considerably below the 20.9% median taken for all female apparel.

Selected Merchandising & Operating Results of Innerwear & Nightwear Departments in Department Stores With Sales Over $1 Million
(Median Results)

	Adult Female Apparel (113*)	Brassieres (20)*	Corsets & Girdles (23)*	Intimate Apparel, Sleepwear & Robes (109)*
Net sales, % change from last year	+ 8.8%	+ 12.8%	+ 8.3%	+ 9.0%
Sales, % to total store sales	24.5	1.2	0.4	3.5
Sales, % of merchandise division**	--	9.8	3.5	28.0
$ sales per square foot of selling space (main or largest selling unit)	$129.2	na	$111.2	$113.0
Markdowns, retail, % of sales	20.9	3.2	3.5	9.4
Number of stock turns (times)	3.8	2.8	2.9	3.7
Sales promotion, % of sales	2.9	na	3.6	2.6

	Women's, Misses' & Juniors' Intimate Apparel (89)*	Sleepwear (84)*	Robes & Loungewear (84)*
Net sales, % change from last year	+ 14.6%	+ 9.2%	+ 3.9%
Sales, % to total store sales	1.4	1.2	0.7
Sales, % of merchandise division**	11.7	10.3	6.2
$ sales per square foot of selling space (main or largest selling unit)	$105.3	$128.0	$104.4
Markdowns, retail, % of sales	5.7	10.1	13.9
Number of stock turns (times)	3.5	4.3	4.4
Sales promotion, % of sales	2.5	2.8	3.0

na = not available.
* Number in parentheses refers to the number of reporting firms in each category.
**The merchandise division (equal to 100%) is adult female intimate apparel and accessories.

Source: National Retail Merchants Association, Merchandising & Operating Results of 1981 (1982 Edition).

RETAIL SALES BY STORE TYPE

Women's Ready-To-Wear Stores

Women's, misses' and juniors' intimate apparel sales in specialty stores with sales over $1 million rose 13.7% in 1982 compared with a year earlier, according to the National Retail Merchants Association's Merchandising and Operating Results report. During the same time, bra, corset and girdle department sales were up 8.3%, loungewear and robes department 8.4% ahead and sleepwear department sales up 6.3% in comparison with a 6.7% median rise for all female apparel areas in these specialty stores.

Selected Merchandising & Operating Results of Innerwear & Nightwear Departments in Department Stores With Sales Over $1 Million, 1981
(Median Results)

	All Female Apparel (47)*	Bras, Corsets & Girdles (28)*	Intimate Apparel, Sleepwear & Robes (35)*	Women's, Misses' & Juniors' Intimate Apparel (17)*	Sleepwear (16)*	Loungewear & Robes (20)*
Net sales, % change from last year	+ 6.7%	+ 8.3%	+ 6.3%	+ 13.7%	+ 6.3%	+ 8.4%
Sales, % to total store sales	50.7	2.1	4.8	2.4	1.9	1.8
Sales, % of merchandise div.**	--	13.0	33.0	11.7	12.4	10.8
$ sales per square foot of selling space (main or largest selling unit)	$147.1	$135.3	$123.7	$148.4	$128.4	$141.7
Markdowns, % of sales	20.9	5.2	13.6	5.6	12.8	19.6
Number of stock turns (times)	3.5	2.2	3.3	2.9	4.8	4.1
Sales promotion, % of sales	2.4	2.6	2.8	na	na	2.7

na = not available.
* Numbers in parentheses refer to the number of reporting firms in each category.
**The merchandise division (equal to 100%) is adult female intimate apparel and accessories.

Source: National Retail Merchants Association, Merchandising & Operating Results of 1981 (1982 Edition).

SEASONAL PATTERN IN RETAIL SALES

The heaviest selling period of the year for women's innerwear is during the Christmas season. Except for corsets and brassieres, whose sales are more evenly distributed throughout the year, all of the other innerwear items listed registered sales of over 20% for the month of December.

SEASONAL PATTERN IN RETAIL SALES

Percent of Year's Sales of Lingerie, Foundation & Loungewear Departments By Months

(Five Year Average*)

	Corsets & Brassieres	Underwear, Slips & Negligees, Total	Knit Underwear	Woven Underwear, Slips & Nightgowns	Negligees, Robes & Loungewear
Total	100.0%	100.0%	100.0%	100.0%	100.0%
January	7.7	5.3	6.2	5.1	4.1
February	6.3	5.2	5.4	5.2	5.0
March	8.2	6.0	6.1	6.1	5.9
April	8.5	6.5	6.5	6.7	6.2
May	8.9	8.7	9.6	8.8	8.5
June	9.5	7.4	7.5	7.9	6.6
July	7.9	6.5	6.4	6.8	5.5
August	7.7	6.2	6.4	6.1	5.4
September	8.3	6.3	6.5	6.1	5.8
October	8.6	7.4	7.5	7.3	7.1
November	7.8	10.8	10.1	10.2	12.1
December	10.6	23.7	21.8	23.7	27.8

Source: Newspaper Advertising Bureau based on Federal Reserve Board reports (covering 1961-1965).

RETAIL ADVERTISING

Percent of Total Newspaper Advertising Linage Done by Month, 1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Girdles & bras	5.1%	5.4%	10.9%	9.0%	10.7%	9.6%	4.2%	7.3%	6.7%	9.3%	7.5%	14.3%
Lingerie, sleepwear & robes	5.1	5.9	6.5	8.1	14.2	4.7	4.7	4.8	5.9	7.3	14.2	18.6

Source: The Advertising Checking Bureau, Inc. Neustadt Reports Division, covering retail newspaper advertising linage in all newspapers in seven cities: Chicago, Philadelphia, Cincinnati, Dallas, Cleveland, Los Angeles and Washington.

CONSUMER PRICE INDEX

Consumer Price Index for Women's Inner Fashions
1980-1982 & January-June 1983
(1967=100 unless otherwise indicated)

	January-June 1983 Average	Annual Average 1982	1981	1980	% Change 6 months 1983/1982
All items	295.1	282.5	260.5	246.8	+ 4.5%
All apparel less footwear	178.1	177.0	174.0	167.8	+ 0.6
All women's apparel (1977=100)	105.0	105.5	104.3	103.1	- 0.5
Women's underwear, nightwear & hosiery (1977=100)	131.1	128.2	120.4	113.0	+ 2.3

Source: Bureau of Labor Statistics

CONSUMER BUYING HABITS

Data on the purchases of specified women's inner fashions, shown on the following pages, have been compiled by NPD Special Industry Services, one of the NPD Group of Marketing & Research Companies, Port Washington, N.Y. The information is based on the findings of an on-going monthly panel diary, tracking the purchases of 6,500 nationally representative families. Purchases for women aged 14 and over are included in the data.

Bras were purchased by 5.4% of panel households in the typical 1981 month, with 5% of households purchasing panties and 4.8% nightwear and robes.

Percent of Households Purchasing Specified Inner Fashion Items
By Month, 1981

	Bras	Panties	Girdles & Other Control Garments	Slips & Lingerie	Nightwear & Robes
January	5.2%	5.0%	1.0%	1.4%	4.8%
February	4.5	3.8	0.7	1.3	3.7
March	5.5	5.2	1.0	1.7	3.7
April	6.0	4.7	1.1	2.7	4.0
May	5.5	5.6	1.1	2.6	4.8
June	6.9	5.5	1.1	2.1	4.1
July	6.4	5.9	0.8	2.1	4.1
August	6.0	6.1	0.7	1.8	3.0
September	5.4	4.7	0.8	1.6	3.7
October	4.5	4.5	0.8	1.5	4.0
November	3.6	4.0	0.8	2.2	6.6
December	5.1	4.9	0.9	2.5	11.6
Average month	5.4	5.0	0.9	2.0	4.8

Source: Newspaper Advertising Bureau, 1983 Newspaper Advertising Planbook.

CONSUMER BUYING HABITS

Women's Innerwear

Percent of Purchases of Women's Innerwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1981, 1982

(For women aged 14 & over)

	Bras				Panties			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Purchases by Outlet Type:								
Department stores	27.5%	28.2%	38.8%	39.1%	20.7%	21.5%	28.4%	30.3%
National chains	30.3	31.8	27.5	29.0	23.6	29.2	23.3	27.1
Discount stores, incl. K mart	26.0	23.9	15.6	14.3	32.9	30.2	24.5	22.7
Women's specialty stores	7.4	8.2	10.0	10.8	6.4	5.6	8.3	7.5
All other store types	8.9	7.9	8.2	6.7	16.4	13.6	15.4	12.5
Purchases by Fiber:								
100% polyester	23.4	24.3	23.5	24.0	9.4	11.4	7.3	9.1
Polyester blends	10.5	10.3	10.3	9.9				
100% cotton/cotton blends	4.1	3.5	4.2	4.1	26.9	23.0	25.4	22.9
100% nylon	32.7	34.0	32.4	32.6	39.9	41.1	40.3	40.9
Nylon blends	21.6	19.6	20.7	19.5	9.6	7.9	13.3	11.2
All other fibers	7.7	8.3	8.8	9.9	14.2	16.6	13.7	15.9
Purchases by Month:								
January	8.7	7.8	7.9	7.6	6.9	8.1	7.1	7.3
February	6.8	7.2	6.9	6.5	6.7	6.1	6.2	5.9
March	8.9	8.9	9.0	8.4	8.5	8.6	7.5	7.4
April	8.3	8.8	8.8	8.4	7.5	7.4	8.2	7.6
May	8.9	9.1	8.7	9.6	7.8	8.9	7.9	9.2
June	9.1	10.1	9.3	10.1	8.0	9.0	7.9	9.3
July	9.1	10.4	8.8	9.9	9.6	9.1	9.5	9.9
August	9.2	9.2	9.2	8.9	9.2	9.7	9.2	9.1
September	7.7	7.4	7.2	8.1	7.2	8.6	7.6	9.1
October	7.3	7.1	7.3	8.0	7.7	8.2	8.2	8.1
November	7.1	5.5	7.0	5.8	8.6	7.0	8.3	7.5
December	8.8	8.5	10.0	8.6	12.2	9.4	12.5	9.8

Source: NPD Special Industry Services.

CONSUMER BUYING HABITS

Women's Innerwear

Percent of Purchases of Women's Innerwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1981, 1982
(For women aged 14 & over)

	Slips				Girdles & Other Foundations*			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Purchases by Outlet Type:								
Department stores	33.5%	31.4%	40.8%	36.9%	37.9%	33.0%	38.3%	39.8%
National chains	17.8	25.3	17.3	25.0	24.2	22.3	25.4	27.8
Discount stores, incl. K mart	22.0	20.6	14.9	14.0	18.4	25.1	10.4	10.9
Women's specialty stores	14.5	13.9	16.7	15.8	8.5	8.9	14.4	12.3
All other store types	12.2	8.7	10.3	8.3	11.0	10.7	11.5	9.3
Purchases by Fiber:								
100% polyester/polyester blends	8.6	5.8	9.4	6.3	4.9	6.3	7.7	6.7
100% nylon/nylon blends	86.7	89.3	84.4	88.9	69.6	78.0	70.8	75.9
All other fibers	1.6	1.8	2.0	1.5	20.1	11.7	15.0	11.7
No answer	3.1	3.1	4.2	3.3	5.4	4.0	6.5	5.7
Purchases by Month:								
January	5.7	5.9	5.1	5.8	6.6	6.2	7.9	7.1
February	4.7	5.4	4.2	4.5	5.7	5.2	7.3	5.3
March	7.3	8.2	6.8	8.3	5.7	10.0	5.7	6.6
April	9.2	8.7	9.5	8.8	8.7	8.7	10.4	10.5
May	10.2	12.3	10.2	12.1	5.0	10.2	7.0	12.9
June	8.8	9.1	9.0	8.5	11.3	13.4	11.6	9.8
July	8.7	7.5	7.9	6.4	11.3	7.9	9.2	7.3
August	8.3	8.6	8.1	7.7	7.4	7.7	6.1	7.1
September	7.3	7.9	7.2	8.9	6.6	7.2	7.9	7.8
October	8.2	7.4	8.5	8.6	7.1	8.1	7.7	9.6
November	7.2	8.9	7.5	9.0	8.7	7.3	10.7	6.9
December	14.5	10.2	16.0	11.4	15.9	8.2	8.6	9.1

* Includes pants liners, all-in-ones and other control garments.

Source: NPD Special Industry Services

CONSUMER BUYING HABITS

Women's Innerwear

Percent of Purchases of Women's Innerwear By Price Points, 1981, 1982

	Bras				Girdles & Other Foundations*			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Less than $4.00	39.3%	41.7%	17.4%	19.0%	35.9%	33.6%	8.3%	9.6%
$4.00 - 8.99	37.7	39.9	38.8	43.9	28.1	32.5	22.2	27.0
$9.00 & over	22.9	18.4	43.8	37.1	36.1	34.0	69.5	63.4

	Panties			
	Units		Dollars	
	1982	1981	1982	1981
Less than $1.00	30.0%	37.5%	13.6%	18.3%
$1.00 - 1.99	46.3	44.3	41.9	44.3
$2.00 - 3.00	16.2	13.0	23.1	21.2
$3.00 & over	7.5	5.2	21.5	16.1

	Slips			
	Units		Dollars	
	1982	1981	1982	1981
Less than $6.00	40.9%	49.3%	22.7%	30.0%
$6.00 - 9.99	36.3	32.8	36.6	35.7
$10.00 & over	22.8	17.8	40.7	34.4

* Includes pants liners, all-in-ones and other control garments.

Women's Nightwear

Percent of Purchases of Women's Nightwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1981, 1982

(For women aged 14 & over)

	Negligees				Hostess/Loungewear			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Purchases by Outlet Type:								
Department stores	29.3%	25.4%	37.7%	32.5%	25.7%	32.4%	30.5%	39.5%
National chains	23.0	23.5	23.2	23.9	27.5	20.2	24.4	20.4
Discount stores, incl. K mart	29.9	29.7	19.2	18.5	26.9	26.8	17.3	17.0
Women's specialty stores	9.5	11.4	11.5	15.1	8.5	11.6	12.9	12.5
All other store types	8.3	10.0	8.4	10.0	11.4	9.0	14.9	10.6

(continued)

CONSUMER BUYING HABITS

Women's Nightwear

Percent of Purchases of Women's Nightwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1981, 1982
(For women aged 14 & over)
(continued)

	Negligees				Hostess/Loungewear			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Purchases by Fiber:								
100% polyester/polyester blends	25.4%	24.6%	26.3%	24.3%	58.5%	47.7%	61.2%	48.5%
100% cotton/cotton blends	14.4	10.5	15.0	10.3	6.8	6.6	10.8	10.5
100% nylon/nylon blends	35.9	41.0	36.9	43.7	12.1	9.8	9.4	8.2
Acetate blends	18.8	17.9	14.8	15.1	14.3	23.9	10.2	19.6
All other fibers	1.1	1.2	1.2	0.9	4.3	6.5	5.1	5.9
No answer	4.4	4.8	5.8	5.7	4.0	5.5	3.3	7.3
Purchases by Month:								
January	6.1	7.0	6.0	6.5	3.3	2.2	3.6	2.8
February	6.3	4.8	6.6	4.0	6.5	6.6	6.7	6.7
March	4.7	6.0	4.6	5.1	10.8	9.6	10.5	8.9
April	5.7	6.4	4.9	5.6	8.8	9.1	10.2	10.9
May	8.0	8.6	7.4	7.2	10.7	12.8	11.8	13.8
June	4.7	6.3	4.7	5.7	8.5	9.7	5.7	8.7
July	6.6	7.8	6.2	6.8	13.5	9.6	8.6	6.9
August	5.9	5.6	5.3	5.7	5.9	9.3	4.9	7.5
September	6.7	6.2	6.4	6.7	7.6	6.4	8.0	6.4
October	9.0	7.0	8.5	6.4	7.9	3.6	7.5	5.0
November	13.9	12.5	14.8	15.0	4.2	6.2	4.9	6.1
December	22.4	22.0	24.6	25.3	12.2	15.1	17.7	16.3

	Robes*				Pajamas			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Purchase by Outlet Type:								
Department stores	26.7%	26.6%	33.1%	33.1%	27.6%	26.7%	35.2%	34.8%
National chains	24.4	26.3	24.0	26.2	31.7	37.0	30.0	33.8
Discount stores, incl. K mart	27.4	26.0	19.8	19.0	25.5	17.7	17.9	12.8
Women's specialty stores	12.9	12.7	15.7	14.3	9.5	10.9	10.2	11.6
All other store types	8.6	8.4	7.4	7.4	5.7	7.7	6.8	7.1

(continued)

CONSUMER BUYING HABITS

Women's Nightwear

Percent of Purchases of Women's Nightwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1981, 1982

(For women aged 14 & over)
(continued)

	Robes*				Pajamas			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Purchases by Fiber:								
100% polyester/polyester blends	47.5%	44.6%	47.1%	41.2%	26.5%	25.3%	20.7%	27.4%
Acetate blends	27.1	27.1	27.7	27.8	10.9	13.4	10.3	11.3
100% cotton/cotton blends	4.2	3.6	3.8	3.3	31.3	24.0	24.2	20.0
100% nylon/nylon blends	10.2	9.2	9.5	9.7	23.5	29.4	29.4	32.8
100% acrylic/acrylic blends	6.5	8.5	6.3	10.6	4.7	3.8	7.1	5.5
All other fibers	--	0.5	--	0.8	--	0.7	--	0.2
No answer	4.6	6.5	5.7	6.6	3.0	3.4	4.3	2.8
Purchases by Month:								
January	9.6	7.6	9.0	7.1	6.0	6.5	5.8	4.7
February	5.4	6.9	5.1	5.8	4.5	6.5	4.0	4.9
March	6.8	5.9	5.0	5.0	6.8	5.5	6.8	4.2
April	4.9	7.4	4.3	5.9	4.1	4.7	3.4	4.8
May	10.2	9.0	8.7	7.3	6.3	6.4	5.5	6.9
June	7.9	6.5	7.2	6.0	6.1	7.8	6.0	8.3
July	7.5	7.5	6.1	6.1	7.7	5.1	7.2	4.0
August	5.3	5.0	5.0	4.0	3.8	5.4	5.0	5.0
September	3.9	4.7	3.9	4.3	5.9	4.5	4.9	4.9
October	5.8	4.6	6.1	5.0	10.1	10.8	8.6	9.8
November	10.4	11.0	12.6	14.0	17.1	11.0	16.1	11.2
December	22.3	23.9	27.2	29.6	21.7	25.9	26.8	31.5

* Includes housecoats, beach robes and beach coverups.

Source: NPD Special Industry Services.

Percent of Purchases of Women's Nightwear By Price Points, 1981, 1982

	Negligees				Pajamas			
	Units		Dollars		Units		Dollars	
	1982	1981	1982	1981	1982	1981	1982	1981
Less than $6.00	30.9%	40.9%	13.8%	19.8%	33.1%	37.9%	15.0%	17.9%
$6.00 - 9.99	32.3	30.4	26.0	27.2	33.2	32.2	28.7	30.2
$10.00 & over	36.8	28.7	60.2	53.0	33.7	29.9	56.3	51.9

(continued)

CONSUMER BUYING HABITS

Women's Nightwear

Percent of Purchases of Women's Nightwear By Price Points, 1981, 1982

	Robes			
	Units		Dollars	
	1982	1981	1982	1981
Less than $10.00	25.5%	27.8%	10.8%	12.6%
$10.00 - 15.99	29.5	30.3	22.8	25.0
$16.00 - 24.99	28.4	29.2	33.4	36.8
$25.00 & over	16.7	12.7	33.0	25.5

	Hostess/Loungewear			
	Units		Dollars	
	1982	1981	1982	1981
Less than $7.99	34.8%	27.4%	14.5%	11.6%
$8.00 - 15.99	36.7	45.3	32.8	39.2
$16.00 & over	28.6	27.4	52.7	49.2

According to a Gallup survey undertaken for Apparel Merchandising, department stores were the favored outlet for sleepwear purchases across all income groups in 1982. In households with total incomes of $25,000 or more, 51.3% purchased sleepwear in a department store. Only 11.4% bought sleepwear in the second most favored outlet, J.C. Penney.

Place of Purchase of Women's Sleepwear by Household Income of Purchaser, 1982

	Household Income			
	Under $10,000	$10,000- $14,999	$15,000- $24,999	$25,000 & over
Department stores	30.2%	39.8%	44.3%	51.3%
Discount stores	29.4	21.7	10.7	10.1
J.C. Penney	11.9	16.9	12.2	11.4
Sears	7.1	6.0	13.7	6.3
Women's specialty stores	4.8	1.2	5.3	8.9
Lingerie shops	0.8	--	0.8	3.8
Off-price stores	0.8	2.4	2.3	0.6
Catalog/mail order	1.6	--	1.5	0.6
All other stores	3.2	10.8	1.5	5.7
Don't know	10.3	1.2	7.6	1.3

Source: Gallup Organization (Chain Store Age
Apparel Merchandising, May 1983)

CONSUMER BUYING HABITS

Women's Nightwear

Number of Sleepwear Purchases by Age of Purchaser, 1982

	Age Groups				
	18-24 Years	25-34 Years	35-44 Years	45-49 Years	50+ Years
3 or 4 times a year	8.0%	16.3%	10.3%	10.9%	5.7%
Twice a year	30.0	19.2	20.7	10.9	16.7
Once a year	35.4	29.1	25.0	50.0	25.3
Every other year	8.8	8.7	12.1	18.8	12.8
Less often than every other year	8.0	10.5	16.4	3.1	8.2
Never	9.7	14.0	15.5	6.3	22.1
Don't know	--	2.3	--	--	1.4

Source: Gallup Organization (Chain Store Age Apparel Merchandising, May 1983).

Women's Inner Fashions

Seventeen Magazine's Back-To-School survey, conducted in September 1982, projected purchases of inner fashions by 1,505 respondents who attend high school or college to the universe of 8.7 million teenage female students. According to the study, expenditures for inner fashions during the back-to-school period were approximately $637.7 million, 8.1% of the estimated $7.9 billion spent on apparel at this time.

Projected Purchases of Inner Fashions by Teenage Female Students

	Number Purchasing (Thous.)	Number Purchased (Thous.)	Total Expenditures (Mil. $)
FOUNDATIONS			
Bras, total	6,253	17,906	$ 158.6
Bandeau:			
- softcup	3,603	8,304	70.7
- light-padded	1,921	4,230	32.1
- underwire	1,218	2,500	29.5
Strapless/halter	895	1,070	7.5
One-size (stretch step-in)	324	779	4.9
Stretch coordinated sets (bra & brief)	430	1,023	13.8
Panty, brief girdle	213	775	3.8
Bodysuit - sized	200	290	4.1
One-size stretch	193	240	2.6
Total girls buying foundations	6,342	19,211	169.1

(continued)

Women's Inner Fashions

Projected Purchases of Inner Fashions by Teenage Female Students
(continued)

	Number Purchasing (Thous.)	Number Purchased (Thous.)	Total Expenditures (Mil. $)
LINGERIE			
Panties - bikini	4,165	21,098	59.5
- regular	1,945	9,753	28.5
- brief	768	3,079	8.5
Slips - short	1,261	1,675	16.8
- long	442	522	5.6
- bra	702	1,430	12.4
Half slips - short	1,203	1,546	14.3
- long	281	311	3.3
Other	117	182	1.5
Total girls buying lingerie	6,422	39,596	150.4
SLEEPWEAR/LOUNGEWEAR			
Nightgowns - long	1,239	1,805	28.2
- short	833	1,068	13.6
Nightshirts - short	1,892	2,851	30.5
- long	626	1,011	10.8
Pajamas - shortie	561	805	10.0
- full-length	626	868	13.5
Robes - long	956	1,063	28.5
- short	469	485	8.5
Long culottes/lounging pajamas/ at-home dresses	250	360	4.8
Other	122	139	1.9
Total girls buying sleepwear/loungewear	4,137	10,455	150.4
Total girls buying sleepwear	3,773	8,408	106.6
Total girls buying loungewear	1,430	2,047	43.7

Source: Seventeen Magazine
Back-To-School Study, 1983

FAIRCHILD FACT FILES AVAILABLE FOR 1983

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1982 Edition available now -- 1983 Edition will be available in January, 1984)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1982 Edition available now -- 1983 Edition will be available in December, 1983)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and findings in a comprehensive consumer survey conducted by Footwear News Magazine. ($15.00)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (November)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits.

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits. (Special Fact File for 1983, $15.00)

SOFT SURFACE FLOOR COVERINGS: Trends in the number of manufacturers, on production and value of shipments of major types of soft surface floor coverings, and foreign trade, are covered in this report. Retailing information includes departmental merchandising and operating results, estimated volume by type of outlet and trends in consumer buying.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (Special Fact File for 1982, $15.00)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (October)

TOILETRIES, BEAUTY AIDS, COSMETICS AND FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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